Macro environment of sony

HISTORY OF BRANDING: Brands were originally developed as labels of ownership: name, term, design, and symbol. However, today it is what they do for people that matters much more, how they reflect and engage them, how they define their aspiration and enable them to do more.

Powerful brands can drive success in competitive and financial markets, and indeed become the organization’s most valuable assets. In the field of marketing, brands originated in the nineteenth century with the advent of packaged goods. The first registered brand was the red triangle registered by Bass beer, as the British were the first to introduce a law for trade mark registration. Industrialization moved the production of household items, such as soap, from local communities to centralized factories. When shipping their items, the factories would brand their logotype insignia on the shipping barrels. These factories, generating mass-produced goods, needed to sell their products to a wider range of customers, to a customer base familiar only with local goods, and it turned out that a generic package of soap had difficulty competing with familiar, local products.

The fortunes of many of that era’s brands, such as Uncle Ben’s rice and Kellogg’s breakfast cereal, illustrate the problem. The packaged goods manufacturers needed to convince buyers that they could trust in the non-local, factory product. Campbell soup, Coca-Cola, Juicy Fruit gum, Aunt Jemima, and Quaker Oats, were the first American products to be branded to increase the customer’s familiarity with the products. In 1879, the U. S. Congress passed a federal trademark statute that was aimed at protecting established trademarks and thus to prevent the defrauding of consumers.

The Congress' actions were struck down by the Supreme Court which cited that trademark protection would unnecessarily interfere with intrastate commerce. In was not until 1917 with the case, Aunt Jemima Mills Co. v. Rigney Co. , that American courts solidified trademark protection.

Around 1900, James Walter Thompson published a house advert explaining trademark advertising, in an early commercial description of what now is known as ' branding'. Soon, companies adopted slogans, mascots, and jingles that were heard on radio and seen in early television. By the 1940s, Mildred Pierce manufacturers recognized how customers were developing relationships with their brands in the social, psychological, and anthropological senses. From that, manufacturers quickly learned to associate other kinds of brand values, such as youthfulness, fun, and luxury, with their products. Thus began the practice of ' branding', wherein the customer buys the brand rather than the product.

This trend arose in the 1980s ' brand equity mania'. In 1988, Phillip Morris bought Kraft for six times its paper worth. It is believed the purchase was made because the Phillip Morris Company actually wanted the Kraft brand rather than the company and its products BRAND: The American Marketing Association defines a brand as " a name, term, sign, symbol, or a design, or a combination of them, intended to identify the goods and services of one seller or a group of sellers and to differentiate them for those of competitors. " A brand is thus a product or service that adds dimensions that differentiate it in some way from other products or services designed to satisfy the same need. These differences may be functional, rational, or tangible- related to product performance of the brand.

They may also be more symbolic, emotional or intangible-related to what brand represents. Branding has been around for centuries as a means to distinguish the goods of one producer from those of another. The earliest signs of branding in Europe were the medieval guilds’ requirements that craftspeople put trademarks to protect themselves and the consumers against inferior quality. In the fine arts, branding began with artists signing their works. Brands today play a number of important roles that improve consumers’ lives and enhance the financial value of firms.

ROLES OF BRAND: Brands identify the source of maker of a product and allow consumers- either individuals or organizations- to assign responsibility to a particular manufacture or distributor. Consumers may evaluate the identical product differently depending on how it is branded. Consumers learn about brands from past experiences with the product and its marketing program. They find out which brands satisfy their needs and which ones do not. As consumers’ lives become more complicated, rushed, and time-starved, the ability of a brand to simplify decision making and reduce risks is invaluable. Brands also perform valuable functions for firms.

First, they simplify product handling or tracing. Brands help to organize inventory and accounting records. A brand also offers the firm legal protection for unique features or aspects of the products. The brand also offers them firm legal protection for unique features or aspects of the product.

The brand name can be protected through registered trademarks; manufacturing processes can be processes cane be protected through patents; and packaging can be protected through copyrights and designs. These intellectual property rights ensure that the firms can safely invest in the brand and reap benefits of a valuable asset. Brands can signal a certain level of quality so that satisfied buyers can easily choose the product again. Brand loyalty provides predictability and securities of demand for the firm and creates barriers to entry that make it difficult for other firms to enter the market.

Loyalty also can translate into a willingness to pay a higher price- often 20 to 25 percent more. Although competitors may easily match lasting impressions in the minds of individuals and organizations from years of marketing activity and product experience. In this sense, branding can be seen as a powerful means to secure a competitive advantage. To firms, brands thus represent enormously valuable pieces of legal property that can influence consumer behavior, be bought and sold, and provide the security of sustained future revenues to their owner. Large earning multiples have been paid for brands in mergers or acquisitions, starting with the boom years of the mid-1980s. The price premium is often justified on the basis of assumptions of the extra profits that could be extracted and sustained from the brands, as well as the tremendous difficulty and expense of creating similar brands from scratch.

Wall Street believes that strong brands results in better earnings and profit performance for firms, which, in turn, creates greater value for shareholders. Much of the recent interests in brands by senior management have been a result of these bottom-line financial considerations. Marketing Memo: The Brand Report Card" lists 10 key characteristics based on a review of the world’s strongest brands. SCOPE OF BRANDING: Although firms provide the impetus to brand creation through marketing programs and other activities, ultimately a brand is something that resides in the minds to consumers.

A brand is a perceptual entity that is rooted in reality but reflects the perceptions and perhaps even the idiosyncrasies of consumers. Branding is endowing products and services with the power of a brand. Branding is all about creating differences. To brand a product, it is necessary to teach consumers “ who” the product is- by giving it a name and using other brand elements to help identify it- as well as “ what” the product does and “ why” consumers should care. Branding involves creating mental structures and helping consumers organize their knowledge about practices and services in a way that clarifies their decision making and, in the process, provides value to the firm.

For branding strategies to be successful and brand value to be created, consumer must be convinced that there are meaningful differences among brands in the product or services category. The key to branding is the consumers must not think that all brands in the category are the same. Brand differences often are related to attributes or benefits of the product itself. Gillette, Mercedes, Sony, 3M, and others have been leaders in their product categories for decades due, in part, to continual innovation.

Other brands create competitive advantages through non-product-related means. Coca-Cola, Calvin Klein, Gucci, Tommy Hilfiger, Marlboro, and others have become leaders in their product categories by understanding consumer motivations and desires and creating relevant and appealing images around their products. BRANDING CONCEPTS: BRAND EQUITY MEANING: The term brand equity refers to the value inherent in a well known brand name. This value stems from the consumer's perception of the brand's superiority, the social esteem that using it provides, and the customer's trust and identification with the brand.

For many companies, their most valuable assets are their brand name. Well-known brand names are referred to as megabrands. Among the best known brands are Coca-Cola, Campbell's soup, Hallmark cards, Microsoft, IBM, Apple, Pepsi, McDonald, Sony, etc. Their names have become " cultural icons" and enjoy powerful advantage over the competition Because of the escalation of new-product costs and the high rate of new product failures, many companies prefer to leverage their brand equity through brand extension rather than risk launching a new brand. Brand equity facilitates the acceptance of new products and the allocations of preferred shelf space, and enhances perceived value, perceived quality, and premium pricing options. Brand equity is most important for low involvement purchases, such as inexpensive consumer goods that are brought routinely and with little processing of cognitive information.

A study found that very strong brand cues, such as the ones conveyed by brands with high equity, may actually " block" the learning of quality related cues for specific product attributes. IMPORTANCE A brand that has been promoted heavily in the past retains a cumulative level of name recognition, company buy, sell, and rent (i. e. icense) their brand names, knowing that it is easier for a new company to buy, rather than to create a brand name that has a enduring strength.

Brand equity enables companies to charge a price premium- an additional amount over and above the price of an identical store brand. A relatively new strategy among the marketers is co-branding [also called as double branding]. The basis of co-branding is, in which two brand names are featured as a single product, is to use another product’s brand equity to enhance the primary brand’s equity. For example, Cranberry Newtons is a product of Nabisco and ocean spray, bearing both brand names MEASURING BRAND EQUITY: Given that the power of brand resides in the minds of consumers and how it changes their response to marketing, there are two basic approaches to measuring brand equity. An indirect approach assesses potential sources of brand equity by identifying and tracking consumer brand knowledge structures. A direct approach assesses the actual impact of brand knowledge on consumer response to different aspects of the marketing.

Marketing insight: The Brand Value Chain” shows how two measurement approaches can be linked. The two general approaches are complementary, and marketers can employ both. In other words, for brand equity to perform a useful strategic function and guide marketing decisions, it is important for marketers to 1) fully understand the sources of brand equity and how they affect outcomes of interest , as well as 2) how these sources and outcomes change, if at all, over time. Brand audits are important for the former; brand tracking is important for the latter.

MANAGING BRAND EQUITY: Effective brand management requires a long-term view of marketing decisions. Because consumer response to marketing activity depend on what they know and remember about a brand, short-term marketing actions, by changing brand knowledge, necessarily increase or decrease the success of future marketing actions. Additionally, a long-term view results in proactive strategies designed to maintain and enhance customer-based brand equity over time in the face of external changes in the marketing environment and internal changes in a firm's marketing goals and programs. BRAND RECOGNITION: Brand Recognition is the extent to which a brand is recognized for stated brand attributes or communications In some cases brand recognition is defined as aided recall – and as a subset of brand recall.

In the case, brand recognition is the extent to which a brand name is recognized when prompted with the actual name. A broader view of brand recognition is the extent to which a brand is recognized within a product class for certain attributes. Logo and tagline testing can be seen as a form of brand recognition testing. For example, if a product name can be associated with a certain tagline, logo or attribute (safety and Volvo; " Just do it" – Nike) a certain level of brand recognition is present.

BRAND IMAGE: Brand image is the perceptions and beliefs held by the consumers, as reflected in the associations held in consumer memory. Images evoked by exposure to a named brand Like brand personality, brand image is not something you have or you don't! A brand is unlikely to have one brand image, but several, though one or two may predominate. The key in brand image research is to identify or develop he most powerful images and reinforce them through subsequent brand communications. The term " brand image" gained popularity as evidence began to grow that the feelings and images associated with a brand were powerful purchase influencers, though brand recognition, recall and brand identity. It is based on the proposition that consumers buy not only a product (commodity), but also the image associations of the product, such as power, wealth, sophistication, and most importantly identification and association with other users of the brand.

In a consumer led world, people tend to define themselves and their Jungian “ persona” by their possessions. According to Sigmund Freud, the ego and superego control to a large extent the image and personality that people would like others to have of them. Good brand images are instantly evoked, are positive, and are almost always unique among competitive brands. Brand image can be reinforced by brand communications such as packaging, advertising, promotion, customer service, word-of-mouth and other aspects of the brand experience. Brand images are usually evoked by asking consumers the first words/images that come to their mind when a certain brand is mentioned (sometimes called “ top of mind”). When responses are highly variable, non-forthcoming, or refer to non-image attributes such as cost, it is an indicator of a weak brand image.

Brand monopoly: In economic terms the “ brand” is a device to create a monopoly—or at least some form of “ imperfect competition”—so that the brand owner can obtain some of the benefits which accrue to a monopoly, particularly those related to decreased price competition. For example, the Coca Cola Corporation will probably never have a monopoly on cola-flavored soda pop, but it can have a monopoly on its own brand of cola-flavored soda pop. In this context, most “ branding” is established by promotional means. There is also a legal dimension, for it is essential that the brand names and trademarks are protected by all means available. The monopoly may also be extended, or even created, by patent, copyright, trade secret (e.

g. secret recipe), and other sui generis intellectual property regimes (e. g. : Plant Varieties Act, Design Act). In all these contexts, retailers' " own label" brands can be just as powerful. The " brand", whatever its derivation, is a very important investment for any organization.

RHM (Rank Hovis McDougall), for example, have valued their international brands at anything up to twenty times their annual earnings. Often, especially in the industrial sector, it is just the company's name which is promoted (leading to one of the most powerful statements of " branding"; the saying, before the company's downgrading, " No-one ever got fired for buying IBM"). DEVISING A BRANDING STRATEGY: The branding strategy for a firm reflects the number and nature of common and distinctive brand elements applied to the different products sold by the firm. In other words, devising a branding strategy involves deciding the nature of new and existing brand elements to be applied to new and existing products.

The decision as to how to brand new products is especially critical. When a firm introduces a new product, it has three main choices: 1. It can develop new brand elements for the new products. 2.

It can apply some of its existing brand elements. 3. It can use a combination of new and existing brand elements. When a firm uses an established brand to introduce a new product, it is called a brand extension.

When a new brand is combined with an existing brand, brand extension can also be called as a sub-brand (adobe acrobat s/w). An existing brand that gives birth to a brand extension is referred to as the parent brand. BRAND EXTENSIONS: Recognizing that one of their most valuables assets is their brands, many firms have decided to leverage that asset by introducing a host of new products under some of their strongest brand names. Most new products are in fact line extensions- typically 80 to 90% in any one year. Moreover, many of the most successful new products, as rated by various sources, are extensions (e. g.

Microsoft Xbox, Apple iPod digital music player, and Nokia 6800 cell phone). Nevertheless, many new products are introduced each year as new brands (e. g. Zyprexa mood stabilizer drug, mini automobile).

ADVANTAGES OF BRAND EXTENSIONS: Two main advantages of brand extensions are that they can facilitate new product acceptance, as well as provide positive feedback to the parent brand and company. New product success: Brand extensions improve the odds of new product success in a number of ways. With the brand extension, consumers can make inferences and from expectations as to the likely composition and performance of a new product based on what they already know about the parent brand itself and the extent to which they feel this information is relevant to the new product. Positive feedback effects: Besides facilitating acceptance of new products, brand extensions can also provide feedback benefits.

They can help to clarify the meaning of a brand and its core brand values or improve consumer perceptions of the credibility of the company behind the extensions. Thus, through brand extensions, Crayola means “ colorful crafts for kids,” weight watchers means “ weight loss and maintenance. ” Line extensions can renew interest and liking for the brand and benefit the parent brand by expanding marketing coverage. One benefit of a successful extension is that it may also serve as the basis for subsequent extensions. During the 1970s and 1980s, Billabong established its brand credibility with the young surfing community as a designer and producer of quality surf apparel.

This success permitted it to extend into other youth-oriented areas, such as snowboarding and skateboarding. DISADVANTAGES OF BRAND EXTENSIONS: On the downside, line extensions may cause the brand name to not be as strongly identified with any one product. It is called as “ line-extension trap”. If a firm launches extensions consumers deem inappropriate, they may question the integrity and competence of the brand. Different varieties of line extensions of line extensions may confuse and perhaps even frustrate consumers. The worst possible scenario with an extension is that not only does it fall, but it harms the parent brand image in the process.

Fortunately, such events are rare. “ Marketing failures,” where insufficient consumers were attracted to a brand, are typically much less damaging than “ product failures,” where the brand fundamentally fails to live up to its romise. One easily overlooked disadvantage to brand extensions is that by introducing a new product as a brand extension, the firm forgoes the chance to create a new brand with its own unique image and equity. BRAND PORTFOLIOS: All brands have boundaries- a brand can only be stretched so far. Any one brand is not viewed equally favorably by all the different market segments that the firm would like to target, some other reasons for introducing multiple brands in a category include: 1.

To increase shelf presence and retailer dependence in the store; 2. To attract consumers seeking variety who may otherwise have switched to another brand; 3. To increase internal competition within the firm; and 4. To yield economies of scale in advertising, sales, merchandising, and physical distribution. The brand portfolio is the set of all brands and brand lines a particular firm offers for sale to buyers in a particular category. Different brands may be designed and marketed to appeal to different market segments.

BRAND ASSOCIATION: All brand-related thoughts, feelings, perception, images, experiences, beliefs, attitudes, and so on that become linked to the brand node. HOW DOES BRAND PERCEPTION ASSESSMENT HELPS BUSINESSES: Brand perception Assessment helps you find the answers to the following questions: •Do you know what customers think of your brand? •Do you know what your channel partners think (and say) about your brand? •Are you wondering about the impact that brand perception has on the sales of your products? •How do your sales, marketing and training activities improve or damage your brand perception? •Do you know how your brand compares to others in your category? •Is your brand strategy executed consistently across all areas of your company? If you are facing any of these issues, Brand Perception Assessment will bring you the answers. A Brand Perception Assessment delivers insight and data on how your brand, products and services are perceived by your market – both the customers who buy the product, and the channel partners who sell it. We use a proven methodology to determine the elements that comprise and impact brand perception and then measure perceptions of purchasers and channel partners on these elements.

There are 4 stages in a Brand Perception Assessment. Stage One: Identify the appropriate target audience for the brand perception assessment (purchaser, channel partner or both) together with you. Establish the information objectives and variables that impact brand perception among these audiences. Create the question frameworks tailored to different audiences as needed. Stage Two: Execute interviews with buyers and channel partners (eg retail associates) to understand their perception of the brand based on individual criteria as well as overall. Gather qualitative insight as well as quantitative data.

Interviews are often conducted in-field with retail associates or while consumers are browsing categories. They can also be conducted by phone or online depending on the nature of the product and sales process. Stage Three: Synthesize the qualitative insights from interviews and quantitative data from surveys. Identify the key elements that impact overall brand perception. Evaluate your brand position relative to competitors.

Benchmark specific variables of brand perception to enable you to monitor changes in brand perception over time. Stage Four: Present practical recommendations to enhance or modify brand perception. Identify the strengths and weaknesses that differentiate your brand and how this impacts the purchase decision. Identify marketing or training messages, potential new products and service or product extensions that can enhance your brand perception among your market. Benefits to the firms: A Brand

Perception Assessment quantifies the perception that buyers and channel partners have of your brand. It removes assumption and establishes the benchmark from which you can enhance or modify the perception of your brand.

It identifies weak areas that you can address through product development, marketing or training. DEVELOPING A POSITIONING STRATEGY: All marketing strategy is built on STP- segmentation, targeting, and Positioning. A company discovers different needs and groups in the marketplace, targets those needs and groups that it can satisfy in a superior way, and then positions its offering so that the target market recognizes the company's distinctive offering and image. If a company does a poor job of positioning, the market will be confused.

This happened when National Car Company and Alamo Rent-a-car were combined by their parent. ANC Rental Corp. , following its bankruptcy court filing in 2001. If a company does an excellent job of positioning, then it can work out the rest of its marketing planning and differentiation from its positioning strategy. Positioning is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market.

The goal is to locate the brand in the minds of consumers to maximize the potential benefit to the firm. DIFFERENTIATION STRATEGY: To avoid the commodity trap, marketers must start with the belief that you can differentiate anything. Brands can be differentiate on the basis of many variables The obvious means of differentiation, and often most compelling ones to consumers, relate to aspects of the products and service. Swatch offers colorful, fashionable watches.

Subway differentiates itself in terms of healthy sandwiches as an alternative to fast food. In competitive markets, however, firms may need to go beyond these. Among other dimensions a company can use to differentiate its market offering are personnel, channel, and image. Product differentiation: Quality will depend on actual product performance, but it is also communicated by choosing physical signs and cues.

Examples: 1. A lawnmower manufacturer that claims its “ powerful” has given it a noisy motor because buyers think noisy lawnmowers are more powerful. 2. A car manufacturer makes sure its car doors make a solid sound when they slam shut because many buyers slam the doors in the showroom to test how well the car is built. Personnel differentiation: Companies can gain a strong competitive advantage through having better trained people.

McDonald’s people are courteous. IBM people are professional and Disney people are upbeat. Better trained people exhibit six characteristics: 1. Competence 2. Courtesy 3. Credibility 4.

Reliability 5. Responsiveness 6. Communication Image differentiation: Buyers respond differently to company and brand images. The primary way to account for Marlboro’s extraordinary worldwide market share (around 30 percent) is that Marlboro’s “ macho cowboy” image has struck a responsive chord with much of the cigarette-smoking public.

Wine and liquor companies also work hard to develop distinctive images for their brands. Identity and image need to be distinguished. Identity is the way a company aims to identify or position itself or its product. Image is the way the public perceives the company or its products. An effective identify does three things- it establishes the product’s character and value proposition.

It conveys this character in a distinctive way. It delivers emotional power beyond a mental image. With this we finish the different branding concepts and how branding plays an important role in the success of any product or service or an organization. Now let us see an overview of the Tobacco industry with its history, and journey so far, the problems faced by this industry throughout its span, emergence of new brands, etc. HISTORY OF THE TOBACCO INDUSTRY: Cigarettes were originally sold as an expensive handmade luxury item for the urban elites of Europe. However, cigarette manufacture was revolutionized by the introduction of a rolling machine called the Bonsack machine, which was patented by American James Bonsack in the United States in 1880.

The machine was soon put into use by the American industrialist James Buchanon Duke, who founded the American Tobacco Company (ATC) in 1890. Inexpensive mass-produced cigarettes, promoted by Duke’s aggressive marketing methods and advertising, gradually led to a decline in pipe-smoking and tobacco-chewing habits in the United States. In Britain the manufacturer Henry Wills began using the machine in Bristol in 1883, and this enabled him to dominate the cigarette trade within just a few years. Then, in 1901, Duke attempted to enter the British market. The subsequent “ tobacco war” resulted in a standoff as the British manufacturers united within the Imperial Tobacco Company. An agreement in 1902 allowed both sides to claim a victory Duke retreated to the United States, and the British market was left to Imperial, but together they formed the British-American Tobacco Company (BAT) to market and sell their products to the rest of the world, especially India, China, and the British dominions.

Although other American companies entered the global market following the breakup of the ATC—the result of a 1911 Supreme Court ruling- BAT continued to meet much success. In 1999 the company produced more than 800 billion cigarettes per year, which made it the world's third largest tobacco company (just behind the Philip Morris USA and Philip Morris International companies, together ranking second, and the China National Tobacco Corporation, ranking first). The success of the cigarette was due not only to the business strategies of the large firms but also to the rapid adoption by urban male youths of the relatively inexpensive and easy-to-smoke lighter flue-cured Virginia tobacco. In particular, this product became a favorite of teenage boys—a situation that led to public outcries, to the revival of anti-tobacco movements in France, Australia, Britain, Canada, and the United States (spearheaded there by the seasoned antidrink campaigners of the Woman's Christian Temperance Union), and to the eventual passing, in the 1890s and 1900s, of legislation across most territorial and federal states banning the sale of tobacco to minors.

The legislation, however, was largely ineffective, and World War I quickly put an end to the critique of young men's cigarette smoking. In the trenches cigarettes were easier to smoke than pipes, and tobacco companies, the military, governments, and newspapers organized a constant supply of cigarettes to the troops—an official recognition of the importance of tobacco in offering immediate relief from physical and psychological stress. Certain companies did extraordinarily well from the war: Imperial's Players and Woodbine brands in Britain and, more spectacularly, R. J.

Reynolds's Camel in the United States. Introduced only in 1913, Camel had reached sales of 20 billion cigarettes by 1920, following a government supply order and a successful marketing campaign. The war, therefore, transformed smoking habits. As early as 1920, more than 50 percent of the tobacco consumed in Britain was in the form of cigarettes. A less-urban U. S.

population lagged behind, but a similar story in World War II saw cigarettes achieve more than 50 percent of all tobacco sales in 1941. Several other industrial countries matched this trend. The first half of the 20th century was the golden age of the cigarette. In 1950 around half of the population of industrialized countries smoked, though that figure hides the fact, that in countries such as the United Kingdom up to 80 percent of adult men were regular smokers. Smoking was an acceptable form of social behavior in all areas of life—at work, in the home, in bars, and at the cinema—and advertisers were keen to show the full range of leisure activities made complete only through the addition of a cigarette. Smoking cigarettes was popular across all social classes and increasingly among women, once associations of smoking with deviant sexuality began to fade in the 1920s.

This development had less to do with the efforts of advertisers—who, for example, in 1925 introduced the Marlboro brand as a woman's cigarette: " Mild as May"—and more to do with the impact of war and a direct confrontation with societal attitudes by so-called new women. Most important, the cigarette habit was legitimated, celebrated, and glamorized on the Hollywood screen and transported to the rest of the world. Movie stars such as Edward G. Robinson, James Cagney, Spencer Tracy, Gary Cooper, and especially Humphrey Borat, Lauren Bacall, and Marlene Dietrich raised the image of the cigarette to that of the iconic, ensuring it would never lose its sophisticated and loftily independent connotations.

MARLBORO STORY OF MARLBORO [1847-1970] In 1902 a British cigarette manufacturer, Philip Morris, established a corporation in New York to sell its tobacco brands, including Cambridge, Derby, and Marlboro – which was named after the street its London factory was situated on, Marlborough. In 1924, Philip Morris introduced Marlboro as a women’s cigarette based on the slogan: “ Mild as May”. A female audience was targeted through a series of ads in 1926 depicting a feminine hand reaching for a cigarette. These advertisements featured stylish women posed in plush settings, and by the 1950s, babies were telling mom and dad what a great smoke a Marlboro was.

During World War II, however, the brand faltered and had to be taken off the market. Immediately following WWII, three new competing brands: Camel, Lucky Strike and Chesterfields surfaced with a firm hold on the consumer market. This further diminished the value of Marlboro cigarettes. In 1942, the July issue of Reader’s Digest published an article titled “ Cigarette Advertising Fact and Fiction,” that claimed that all cigarettes, regardless of brand, were essentially the same, and equally deadly. In 1957, Reader’s Digest published an article that linked smoking with lung cancer. This is when Philip Morris saw its chance to reintroduce Marlboro and market it as the “ safer” filtered brand.

Consumers began feeling mislead by the established brands and dropped their old allegiances. Unable to break completely away from smoking, due to what was later recognized as nicotine addiction; many smokers were willing to try new cigarette brands. Unfortunately for Marlboro, formerly regarded as “ Mild as May,” the new filters were considered an extension of previous feminine image. Consequently, Phillip Morris had to completely revise and switch its advertising strategies in order to target an old group of customers with a new concern: addicted male smokers who were afraid of acquiring lung cancer.

Marlboro was reintroduced to the nation in 1955 with the “ Tattooed Man” campaign. The image of the “ new Marlboro smoker as a lean, relaxed outdoorsman – a cattle rancher, a Navy officer, a flyer – whose tattooed wrist suggested a romantic past, a man who had once worked with his hands, who knew the score, who merited respect,” (Esquire 6/60) proved that nothing was feminine about the filtered cigarettes. The first advertisements spoke in a manner suggesting that the same old-fashioned flavors were being presented in a safer consumable form. “ Man-sized taste of honest tobacco comes full through.

Smooth-drawing filter feels right in your mouth. Works fine but doesn’t get in the way. Modern Flip-top box keeps every cigarette firm and fresh until you smoke it. ” – Phillip Morris Marlboro Advertisement In a friendly, unpretentious and honest voice, the Marlboro men gained the trust of millions. The “ Tattooed Man” campaign was described by Cullman, as “ virility without vulgarity, quality without snobbery” (Esquire 6/60).

After their introduction in 1955, Marlboro became the top selling filtered cigarette in New York. Eight months after the campaign opened, sales had increased 5, 000 per cent. In the first years of these advertisements the public responses to the different “ Marlboro Man” personalities were monitored. The cowboy emerged to be the most popular character. A narrowing process followed over the next forty years where the cowboy was recognized in a slew of campaigns. The cowboy taught consumers about filters, promoted the flip-top box, enticed women to try “ the cigarette made for men that women like,” and explained that long white ashes are a sign of good tobacco.

The geometric design of the red, white and black-lettered flip-top Marlboro package boosted the appeal of a strong independent individual. The public embraced the red box as a symbol of membership to the club that recognized the Marlboro Man as their spokes-person. The box was a membership card available to everyone, an investment for themselves and their reputation, in the positive image of the Marlboro Man. Eventually he became silent, advertisements stopped having long tag lines, and his reputation and familiarity beckoned consumers without words to come with him to the place they knew well, Marlboro Country. By 1992, Financial World ranked Marlboro the world’s No. 1 most valuable brand, with a market worth of $32 billion.

That same year, dying of lung cancer, “ Marlboro Man” Wayne McLaren appeared at PM’s annual shareholders meeting in Richmond, VA, and asked the company to voluntarily limit its advertising. Chairman Michael Miles responded, “ We’re certainly sorry to hear about your medical problem. Without knowing your medical history, I don’t think I can comment any further. ” Currently, Philip Morris’ tobacco brands are in 180 markets, have a 38% market share in the US, are the top-selling cigarettes in the world, and the tenth-most valuable product brands overall. ADVERTISING CAMPAIGN: Mild as May” was the advertising campaign used by Marlboro brand before they added a filtered tip to their product.

The product was endorsed by Mae West and marketed towards women. “ Marlboro Miles” on three packs of Marlboro Menthol Lights, oldest to newest. When the program was discontinued in 2006, the packs were redesigned as well (at right). One of the features of Marlboro cigarettes at the time was a red tip, which hid lipstick marks that women would leave while smoking.

This campaign was dropped in favor of a more masculine Marlboro Man campaign lest filters be considered unmanly. In the early 1960s Philip Morris (with advertising director Thomas Hutzler) invented “ Marlboro Country” and distilled their manly imagery into a rugged cowboy known as the “ Marlboro Man. ” Television commercials included Elmer Brenstein’s theme for the classic western “ The Magnificent Seven” Marlboro quickly gained market share and saw their sales increase 5, 000% within 8 months of the ad campaign’s premiere. Through the years, Marlboro ad campaigns have been represented by reddish colors, American Western landscapes and a rugged cowboy. These three elements, either combined or separate, are well recognizable and known as Marlboro Country, even without mentioning the brand name or slogan.

The image embodied by the Marlboro ad campaign has become an immediately and universally recognizable icon embodying an idealized and appealing American lifestyle. As a tie-in to the new “ Marlboro Man” advertising campaign, Philip Morris began including “ Marlboro Miles” above the barcode on each pack of Marlboro cigarettes. These Miles could be redeemed via a mail-order catalog for a variety of merchandise emblazoned with the Marlboro brand and logo, running the gamut from cooking implements and camping gear to apparel and lighters. This promotion– similar to the “ C-note” redemption system for coupons found on packs of Camel cigarettes–was phased out in 2006.

The redemption campaigns were referred to at various times as “ Marlboro Country Store” and “ Marlboro Gear”. In the US Outwit the West is an annual promotional competition first run in 2004. It is a targeted campaign to selected adults on the Marlboro mailing list. Four-member teams receive 100 questions which are cryptic clues to locations in the American West. The 20 teams who submit the largest number of correct answers by the deadline (December 18, 2006 for Outwit the West 3) won a trip to the Marlboro Ranch. Once at the ranch, the top group is revealed and awarded the $1, 000, 000 prize.

The campaign aims to build a brand community. In 2007, in retaliation of the advertisement ban in Formula One, Marlboro released a limited edition packet for their Marlboro Red brand, featuring a slide out box, and depicting a Ferrari Formula One Car. ACHIEVEMENTS: Marlboro is also well known for its sponsorship of motor racing. This started in 1972 with its sponsorship of Formula One teams BRM and Iso Marlboro-Ford. The former took one win at the very wet Monaco Grand Prix.

The following year Marlboro dissolved its sponsorship of both teams and became famously associated with the McLaren team, which brought it its first constructors' championship and its driver's title for Emerson Fittipaldi. The team was successful through to 1978, with another world champion in James Hunt in 1976. Following that the partnership went through a dry patch until Ron Dennis's Project Four organisation took over the team in in 1981. Marlboro-sponsored McLarens dominated F1 for much of the 1980s and early 1990s, with Niki Lauda, Alain Prost and Ayrton Senna between them winning the drivers' championship each year from 1984 to 1991, with the exception of 1987. After the departure of Ayrton Senna in 1993, Marlboro McLaren did not win a race for four years. Marlboro ended their sponsorship of the team in 1996, which ended the famous red and white McLaren livery.

Marlboro also sponsored Scuderia Ferrari as secondary sponsor from the mid 1980s as a result of company president Enzo Ferrari, who refused to allow " outside" sponsor brands to appear on his team cars. After his death in 1988, Marlboro began to take over as the primary sponsor which they would be later officially branded as Scuderia Ferrari A 2002 case study by research analysts of the tobacco industry has concluded that Marlboro is currently the top selling cigarette brand for Caucasian smokers. ALLEGATIONS: Since the 1980s an urban myth has spread throughout the world that Marlboro packaging carried imagery related to the Ku Klux Klan as well as anti-Semitic remarks. These allegations, although persistent and continuing to the present day, are held by many people to be false. PRODUCT LIFE CYCLE So far we have discussed a global brand Marlboro. Its achievements, its advertising campaign, It is amongst the most valuable brands and has a huge brand recognition.

Now let us discuss the journey of Marlboro till date through PLC marketing strategy, i. e. Product Life-cycle marketing strategy. A company's positioning and differentiation strategy must change as the product, market and competitors change over the product life cycle. To say that a product has a life cycle is to assert four things: 1.

Products have a limited life. 2. Product sales pass through distinct stages, each posing different challenges, opportunities, and problems to the seller. 3.

Profits rise and fall at different stages of the product life cycle. 4. Products require different marketing, financial, manufacturing, purchasing, and human resource strategies in each life-cycle stage. The four stages of PLC curves are: 1. Introduction- a period of slow sales growth as the product is newly introduced. Profits are non existent.

Taking the case of Marlboro in this stage, the brand came into existence in 1924, as a women's cigarette based on a slogan " mild as may". During World War II, however, the brand faltered and had to be taken off the market. Immediately following WWII, three new competing brands: Camel, Lucky Strike and Chesterfields surfaced with a firm hold on the consumer market. This further diminished the value of Marlboro cigarettes. Marlboro was reintroduced to the nation in 1955 with the “ Tattooed Man” campaign. 2.

Growth- A period of rapid market acceptance and substantial profit improvement. Marlboro- Unfortunately for Marlboro, formerly regarded as “ Mild as May,” the new filters were considered an extension of previous feminine image. Consequently, Phillip Morris had to completely revise and switch its advertising strategies in order to target an old group of customers with a new concern: addicted male smokers who were afraid of acquiring lung cancer. In a friendly, unpretentious and honest voice, the Marlboro men gained the trust of millions. After their introduction in 1955, Marlboro became the top selling filtered cigarette in New York.

Eight months after the campaign opened, sales had increased 5, 000 per cent. 3. Maturity- A slowdown in the sales growth because the product has achieved acceptance by most potential buyers. Marlboro: By 1992, Financial World ranked Marlboro the world’s No. 1 most valuable brand, with a market worth of $32 billion. 4.

Decline- Sales show a downward drift and profits erode. Marlboro hasn’t reached this stage until now. It still enjoys the 38% market share, the top most selling cigarette brand and the tenth most valuable brands in the world. The PLC concept can be used to analyze a product (liquor), a product form (white liquor), a product (vodka), or a brand (Smirnoff).

SCOPE OF MARLBORO IN INDIA: Marlboro is the world’s No. 1 cigarette brand. It is very much important to note here that, Marlboro is a brand and not an organization. It was launched in India in 2003, since then it has been looking very promising.

Being a cigarette brand it is not easy for the company to market this product, owing to the strict rules and regulations implied by the government, still the brand has managed to make a mark in global arena. Being a cigarette brand it pays high taxes for the government, so the government, although is very stringent about these products cannot ban it from being sold. So the future of these brands appears to be very promising. Philip Morris launch of its well-known `Marlboro' brand of cigarettes in India. Marlboro cigarettes – Marlboro Full Flavour & Lights – are, however, distributed in India without the direct involvement of Godfrey Phillips India (GPI), a company in which an affiliate of Switzerland-based Philip Morris International (PMI) currently holds a 35. 9 per cent stake.

PMI registered an operating income of $5. billion in 2002. COMPETITORS: Marlboro faces head on competition with B (Benson & Hedges), Rothmans, ITC (Indian Tobacco Corporation). In India, the tobacco industry is dominated by ITC; it has all the rights to manufacture cigarettes like Wills, Gold Flake, Insignia, Navy Cut, Flake & Bristol.

So Marlboro is having a tough time in Indian market, but given its brand value and recognition and the marketing strategy of the top management it will make its mark in the Indian tobacco market. In international market it faces a tough competition with B, a British brand of cigarettes owned by the Gallaher Group. They are registered in Old Bond Street in London, and are manufactured in Lisnafillen, Ballymena, Northern Ireland for the UK and Irish markets, and by British American Tobacco PLC in Weybridge, England for other markets. The cigarettes are available in Gold, Black or Silver forms. Benson & Hedges also manufactures Hamlet cigars. CONCLUSIONS: The project was to evaluate the " brand image of Marlboro".

During my project I learned the various branding concepts, its importance, the life cycle of a product and how the branding strategy is devised. Moreover in this project I have done a study on the tobacco industry, its history, the story of Marlboro, the problems it faced initially and then it became the world leader through proper marketing and grabbing the opportunity. This proved that be it any product if it is backed by proper marketing it will succeed in the. This shows the importance of marketing. Learning different branding and marketing strategy adopted by different companies was extremely beneficial and would be of great use in future. In this project I also learned how a brand is established and how it is maintained over years.

This project made me learn about different brands and the scope of Marlboro in India, the competition it is facing. BIBLIOGRAPHY: •www. managementadvertisement. com •www. asiamarketresearch. com •Wikipedia.

org •Philip Kotler & Kevin Lane Kellar- Marketing Management 12th edition. •www. economictimes. co.

in •www. hindubusinessonline. com OBJECTIVE: The study was conducted to evaluate " brand image of Marlboro" and to define various branding concepts and its importance in marketing strategy.