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MARKETING

Advantages to the Marketers

(i) Enables Marking Product Differentiation: Branding helps a firm in distinguishing its product from that of its competitors. This enables the firm to secure and control the market for its products.

(ii) Helps in Advertising and Display Programmes: A brand aids a firm in its advertising and display programmes. Without a brand name, the advertiser can only create awareness for the generic product and can never be sure of the sale for his product.

(iii) Differential Pricing: Branding enables a firm to charge different price for its products than that charged by its competitors. This is possible because if customers like a brand and become habitual of it, they do not mind paying a little higher for it.

(iv) Ease in Introduction of New Product: If a new product is introduced under a known brand, it enjoys the reflected glory of the brand and is likely to get off to an excellent start. Thus, many companies with established brand names decide to introduce new products in the same name. For example, Food Specialties Ltd. Had a successful brand Maggie (Noodles), it extended this name to many of its new products introduced such as Tomato Ketchup, Soups, etc. Similarly Samsung extended the brand name of its Television to Washing Machines and other durable products, like Microwave oven.

Advantages to Customers

(i) Helps in Product Identification: Branding helps the customers in identifying the products. For example, if a person is satisfied with a particular brand of a product, say tea leaves or detergent soap, he need not make a close inspection every time, he has to buy that product. Thus, branding greatly facilitates repeat purchase of the products.

(ii) Ensures Quality: Branding ensures a particular level of quality of the product. Thus, whenever there is any deviation in the quality, the customers can have recourse to the manufacturer or the marketer. This builds up confidence of the customers and helps in increasing his level of satisfaction.

(iii) Status Symbol: Some brands become status symbols because of their quality. The consumers of those brands of products feel proud of using them and adds to the level of satisfaction of the customers.