



Elevation of a Brand to Premium Segment

KEYWORDS

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ABSTRACT Premium of a brand is defined by the incremental price and the level of acceptance among the channel of end users. The incremental price of a brand is derived based on the quality, approach & services rendered by the brand.

Any brand launched in a market cannot immediately fetch the premium status unless and until if it is a monopoly product. Initially at the time of launching, a brand has to satisfy the basic quality norms with an attractive pricing without affecting the profit margin of an organization. At any stage the organization margins should not drop below the breakeven level which will erode the resources in due course of time.

Advertisement and sales promotional activities has to be done on a continuous basis. A network of channel partners like distributors, wholesalers, dealers, sub-dealers etc., has to be created with a strong base. Besides that the influencer segment data base has to be collected and motivated based on the nature of product.

ADVANTAGES OF ELEVATING A BRAND TO PREMIUM SEGMENT:

There are several advantages during and after the elevation of a brand to premium level, to name a few major features:

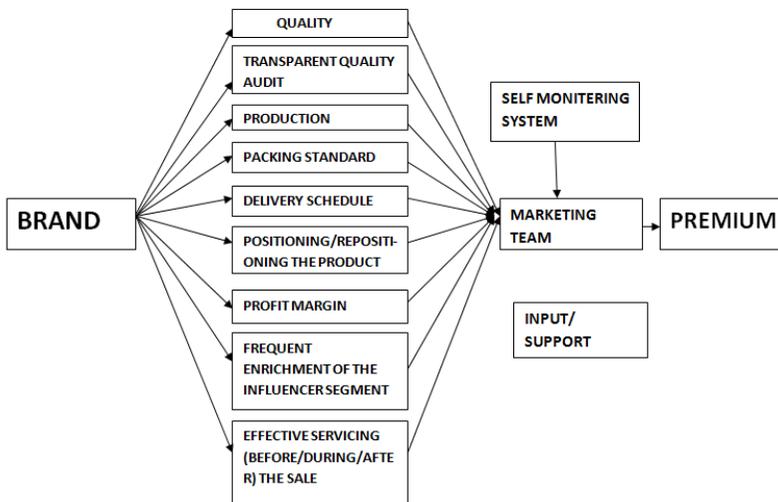
- i. The image of the brand increases manifold which will penetrate deeply into the minds of the end-users.
- ii. The brand will become the benchmark for the competitors in all respects.
- iii. The preference of the brand will increase which will result in increased sales.
- iv. The premium of the brand will increase the morale of the channel segment which will reflect in the sales of that brand.
- v. The share value of the organization will have leverage in all aspects.

- vi. In case of future diversification into other products, naturally the new products of the brand will also have a premium position in the market.

DEMERITS OF A BRAND DURING THE TRANSITION STAGE TO PREMIUM LEVEL:

Any product is manufactured only for selling it in the market, generally people prefer quality product with cheap pricing but nowadays most of the people accept the fact or aware of the fact of various overheads in a reputed brand and they are prepared to pay an additional value for getting a quality product. Some category of customers prefer cost effective products because of this situation the sale may decline marginally which has to be tackled in an effective manner. At the cost of sale a brand cannot achieve the premium segment which will send a very wrong message to the channel partners.

FLOWCHART FOR ELEVATION OF BRAND TO PREMIUM SEGMENT



Driving forces for Premium**1. QUALITY**

The quality of a brand has to be maintained and upgraded based on the technological advancements with the optimum cost of production output. The up gradation of the quality has to be communicated to the channel partners periodically thereby they will be aware of the recent up gradation in the quality of the brand.

2. TRANSPARENT QUALITY AUDIT

The manufacturers should have a policy of testing the quality parameters in association with the major clients or the technical experts in the relevant field in the manufacturer's laboratory and should produce a test certificate duly certified by the experts which will give an assurance to the channel partners about the quality.

This strategy may be adopted instead of the general trend of external laboratory certificate because the quality of testing along with the technical experts will improve the level of confidence not only about the product but, also about the testing methodology adapted by an organization.

3. PRODUCTION SCHEDULE:

The production schedule has to be maintained as per the market requirements and in case of any preventive maintenance it has to be planned in advance and the necessary stock has to be maintained as per the requirements of the market. Anticipating the situation of any sudden maintenance the factory should maintain optimum stock level in order to feed the market.

4. PACKING STANDARDS

The packing material should be of good quality and the packing should be designed in such a way that it can withstand the product in a fully tamper proof condition till the product reaches the end user. The packing to a certain extent should be attractive without tarnishing the image of the brand. The attraction of the packing should be designed based on the nature of the product and not based on the requirements of the market.

5. DELIVERY STANDARDS

The delivery schedule should be maintained systematically as per the requirements of the market, delay should be avoided and in case of any delay it has to be communicated to the channel partners / end-users with proper valid reasoning. In case at the time of placing the order if the concerned person who takes the order is aware of the delay it should be communicated to the customers at the time of placing the order itself, to avoid any issues in the future due to delay in supply.

6. POSITIONING/REPOSITIONING THE PRODUCT

A brand can aim at a premium level only if it is properly distributed in the cross section of the market. It is not compulsorily to be made available in all the counters/ markets in a given geographic area it should be positioned or made available in all major markets with a good potential. In some markets the seller may not position the brand in such a way that the brand cannot attain a premium level may be underselling the brand with his profit margin (or) classifying the product by benchmarking the brand with other normally priced brands (or) recommending the brand only for some specific usage etc.,

This type of approach will deteriorate the brand image which has to be immediately corrected (or) to find the alternative avenues for selling the brand in that particular market.

7. PROFIT MARGIN FOR THE CHANNEL PARTNERS

The profit margin for the channel partners has to be honored as per the commitment and there shall not be false commitments which will deteriorate the brand image. The profit margin shall be clearly explained to the beneficiary which will motivate them to do more volumes in future.

8. FREQUENT ENRICHMENT OF INFLUENCERS

The influencers have to be frequently met and they shall be appraised with the technological advancements of the production and quality control systems. If required they can be taken to the manufacturing premises and visually they can experience the latest technological developments.

9. EFFECTIVE SERVICING BEFORE/ DURING /AFTER THE SALE

The servicing part plays a dominant role in any marketing division. Communication is the vital tool for servicing the customers. Before a sale is effected the customer should be appraised about the product, delivery schedule do's and don'ts of the product for storage, usage etc., after that the customer should be explained about the regular maintenance system and any queries about the product should be sorted immediately.

MARKETING TEAM

The marketing team of an organization is considered as the brand ambassadors of the product. They should be fully aware and confident of the above mentioned facts for approaching the customers. The marketing team will be a catalyst for elevating a brand to a premium level.

SELF MONITORING SYSTEM

The progress of the brand towards premium has to be monitored regularly. The self monitoring system will be an effective tool for monitoring the level of the brand positioned in the market which will reflect the individual's efforts and methods used for elevating the brand to premium level. This will give a progress report of the individual and if required any corrective steps can be taken for achieving the premium.

The following are the inputs/ supports to be given to the team for the successful results:

1. Frequent orientation programs for the marketing team and to observe the level of confidence and the output generated by them in the market.
2. The task of attaining the premium level is a sensitive exercise and the management at various levels should bifurcate the task among themselves for achieving it.
3. Generally the field sales force will feel shy or suppress certain facts for being held as a negative attitude personality. So the management should ensure the working atmosphere should be free and open so that the sales force will come out with some valid inputs which will pave way for the success.
4. Inter- departmental co-ordination is vital and all the departments should be driven towards the need of the market as a whole without deviating the organizational policies and value systems.
5. The man power resources have to be properly and effectively utilized without any idle man power. Shuffling of manpower should be avoided because the synergy with the marketing team and the channel partners if it varies will have a negative impact in the process of achieving the premium.
6. The channel partners have to be tuned/ motivated periodically in such a way that the brand is fit/ deserves the premium status.

CONCLUSION

Premium of a brand can be achieved only with a team work of various levels of management, channel partners, co-operation of influencers, preferences and approach of the employees within the organization and outside the organization as a whole.

Once a brand achieves a premium segment in the market it can very easily withstand any type of competition in the market.

"ONCE A BRAND ATTAINS PREMIUM ALWAYS IT REMAINS PREMIUM"