



Managing Brands Over Time with Respect to FMCG Sector

KEYWORDS

Brand Management, Brand, FMCG Sector, Product.

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ABSTRACT *It is matter of great challenge to manage the brands for decades in FMCG sector, as the choice and preferences of the consumer changes very quickly. Sincere and hard efforts are to be made to increase or shoot up the supposed value of a product or brand over time which can be termed as Brand Management. Efficiency in managing brand does not only increase sale volume on any product but also influence the sale of other products of the same brand. For example if Amul Ghee is praised by the customers then they are more likely to try other products of the brand such Ice-cream, milk etc.*

Introduction-

Fast Moving Consumer Goods are those goods that are non durable & are relatively of low cost. Examples of FMCG include soft drinks, fruits & vegetables, baked goods & dairy products. The best example of FMCG is newspaper which is required to be changed on daily basis. With every change in date the newspaper becomes outdated. The products are of perishable nature.

List of FMCG Companies in India:

- Amul
- Britannia
- Marico
- Wipro consumer care & lighting Ltd
- Himalaya Healthcare Ltd
- Nirma
- Haldiram's
- Colgate Palmolive India Ltd
- Godrej Consumer Products Ltd
- Emami
- Parle Agro
- Jyothi Laboratories
- Dabur India Ltd
- Nestle India
- ITC Ltd
- Hindustan Unilever

Some of the leading FMCG companies of the world includes Coca Cola, General Mills, Procter & Gamble, Sara Lee, Mars, Kleenex, Carlsberg etc.

Almost all food & agro processing industries are free from licensing with certain exceptions. The Indian Government has enacted many policies to attract foreign investment that fosters growth.

Parle-G was launched in 1939 by Parle Products, and considering the social responsibility was sold at affordable prices to Indians. The company succeeded in managing the same price for over a decade - between 1996 and 2006 - even as the prices of raw materials such as wheat, sugar and milk escalated up to 150 per cent. Today, the same value plank has helped the glucose biscuit brand become the first Indian FMCG brand to cross the Rs 5,000-crore mark in retail sales in a year.

The concept of brand management is not new to the

world but the modern management can mark out its origin in the early 20th century. Managing brand not only requires overall understanding of the product but also the comprehensive perception of company as well its goals. Brand management considers many factors such as cost, customer satisfaction, in store presentation & competition.

Importance of Brand Management: Challenges faced by FMGC:

In the current scenario the FMCG is facing ample of challenges. Looking to following challenges the role of brand management sustains critical role:

▪ Shrinking Margins:

The consumer of today is aware towards value of money. He/ she opts for the product that is not cheaper but also of superior quality. The current evaluation, directly or indirectly compel the companies to reduce its wastage & to maximize its resource to the optimum. Thus if a company has to survive in today's competitive world then it has to go for innovations & latest technology.

▪ Retail Anxiety:

There is a continuous pressure from the retailers who demand price cut off & various offers on the products. Also many of the retailers have increased the competition by developing their own brands.

▪ Sustainability:

To survive in today's challenging world is really a tough job. Today the consumer wants more & more from any product he/she is paying for. For example the product shall not only be cheap but also be "green", customer wants cold drinks also to be healthy. Companies thus have to hire technologies that are eco friendly in addition to cost economic.

▪ Effective supply chain management:

Companies to be in competition have to make their product timely available in the market. For this effective supply chain management is very necessary.

▪ Rising markets:

Consumer's faith in traditional markets have declined. Nowadays new markets are emerging which cross geographical barriers. In order to survive in national & international market it is very necessary that FMCG

companies make optimum usage of its resources so that cost can be reduced & profit can be increased.

Talent developments:

To hire & manage human resources is also a challenge in today's scenario. Companies need to hire quality people, to invest in them & further to lead them to drive the company to success.

Role of Brand Manager in FMCG:

To offer brand marketing support to the team:

The brand manager of FMCG shall be dynamic & full of ideas. He should believe in team work & shall be ready to support his team at hour of need.

To track brand trend:

In order to perform his duties with efficiency brand manager shall be aware of the trend that a brand is following.

To track Customer spending pattern:

The need & taste of customer changes with change in time. Example nowadays customer prefer organic products. This will help brand manager to adapt the changes in the product that drives the customers.

Impact of design, packaging & PR activity:

In order to make a brand popular brand manager shall be well versed with the new designs, packaging & the PR activities prevailing in the market. The latest market trend will help him to understand customer taste & need more efficiently.

Ambitious & Self driven:

Brand manager shall apart from being ambitious & self driven must be creative & open to all the possible opportunities. He should not hesitate in implementing any new ideas after considering it wisely. He should not get

satisfied with litter goals & shall aim higher.

Challenges / Problems faced by FMCG:

- Customer who is the ultimate king is very difficult to be understood. Many a times he follows a trend which has no solid ground, thus defeating all the analysis & efforts made by brand manager.
- A brand is a name or logo for which loyalty has to be developed i.e. it is not self explanatory. In today's ultra modern world where ample of brands are available it is very difficult to convince customer why he/she shall go for a particular brand.
- Many social organizations which are not satisfied or vary with the brand with reference to some brand policies may ruin its public image.
- Recession is one of the most influencing factor .Due to it consumers prefer cheaper brands leading to failure of efforts done by brand manager.
- With every change in the chair of branch manager marketing strategies undergoes changes irrespective of the fact whether changes were needed or not.
- To convince the management with the marketing strategies is hard to crack nut. The upper management does not easily get convince when it comes to increase in budget.
- Sometimes cost cutting pressure may result in inferior brand which is very difficult to establish in the market.
- Organizational Internal politics may sometimes disrupt the smooth functioning of the brand manager.
- Induction of new products or sub brands sometimes may create confusion in the mind of the consumers. It distorts the meaning of the brand.
- If any company is acquired by another company & the acquired company is more superior than the acquiring one in the terms of analysis, awareness & research then it will gives a set back to the brand.

Managing Brand over Life Cycle Phase of the FMCG:

Among rest of the sectors FMCG may be believed to be one of the most disciplined one. Industry Life Cycle Model is hired with a purpose to focus on marketing activities during each & every phase of model. Following are the strategies that shall be applied during various phases of product life cycle.

	Development Phase	Introduction Phase	Growth Phase	Maturity Phase	Decline Phase
Strategic Goal	Makes product known & establish a test period	Acquires a strong market position	Maintain market positions & build on it	Defends market position from competitors & improve products	"Milks" all remaining profits from the products
Competition	Almost not done there	Acquires a strong market position	Maintain market positions & build on it	Establishment of competitive environment	Some competitors are already withdrawing from the market
Product	Limited no. of variations	Introduction of product variations & model	Improvement -upgrade of product	Price decrease	Variations & models that are not profitable are withdrawn
Price Goal	High Sales to middlemen	Aggressive price policy (decrease) for sales increase	Re-estimation of price policy	Defensive price policy	Maintain price level for small profit
Promotion Goal	Creation of public-market product awareness	Reinforcement of product awareness & references	Reinforcement of middle men	Maintain loyal to middlemen	Gradual decrease
Distribution Goal	Exclusive & selective distribution through certain channels & creation of high profit margins for middlemen	General & reinforced distribution through all distribution channels available	General & reinforced distribution with good supply to the middle men but with low margins of profit for them.	General & reinforced distribution with good supply to the middlemen but with low margins of profits for them.	Withdrawal from most channels of distribution except those used in the development phase.

Source: International Journal of Marketing, Financial services & Management Research

Managing Brand in FMCG:

Brand value refers to the trust or worth alleged by the customers of that brand. There are 3 popular approaches used by the brand manager for value creation of his/her brand namely –

➤ 1. Decoration Approach:

This approach reflects the differentiation caused by connecting the particular brand to completely different cues presented by the other companies in the market.

➤ 2. Gluing Approach:

This approach attempts to associate the product to emotional factor of the customers. In their marketing the companies tries to influence the possible customers by touching their emotional point.

➤ 3. Mascot Approach:

A human like entity is used here to connect the product with the possible customers. For example Pillsbury Dough Boy.

Conclusion:

In the realm of business & commerce the emergence of globalization has triggered inclinations towards brand management. Every company owns a brand whether in the form of by product, a logo or a slogan. In the new

era of modernization sticking to old & outdated branding strategies will not do good anymore. Brand Management in the sector of FMCG plays a vital role. The FMCG industry or CPG abbreviation of Consumer Packaged Goods is highly competitive one. Low operational cost, solid distribution channels & growing population are the driving factors responsible for the success of the FMCG sector.

In today's age of commercialization customers automatically recount a product with brand name. Companies are seeking to establish a global brand. In global scenario marketing strategies for managing brand over time have become inevitable. The bottom line is that managing brand in today's competitive world of FMCG is not an easy task thus brand managers are required to be handled more effectively & efficiently. With the growing competition managing brand needless to say is becoming more challenging.

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