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## UNIT 7 BRANDING AND PACKAGING

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### 7.0 OBJECTIVES

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After studying this unit, you should be able to:

- explain the terms branding and packaging;
- narrate the alternative approaches in branding products;
- describe the various functions of packaging; and
- state important legal requirements affecting packaging decisions.

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### 7.1 INTRODUCTION

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You have already studied certain aspects of product mix i.e. definition of product, classification of products, product line strategies, new product development process and product life cycle. Besides the basic product design, the way in which a physical product is presented to potential customers is known as product presentation which is very much part of product itself. Branding and packaging are the two major aspects relating to product

presentation. In this unit, we will discuss in detail about branding and packaging. You will learn the meaning and importance of branding, advantages and disadvantages of branding, and the process of selecting a brand name. You will also study the meaning and importance of packaging, functions of packaging and the legal dimensions of packaging.

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## 7.2 BRANDING

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### 7.2.1 Meaning and Importance

Most consumer products and many industrial products need brand name. The brand name helps a consumer in instant recall and this serves an important function for differentiating competing products of similar nature. A crucial step in the branding strategy is deciding on a specific brand name for the product that is being introduced. In the earlier times when the concept and practice of branding was much less developed, very often the family name/surname was used. Some of these are still very much alive for example, Siemens or Ford. The other common method of branding was by way of addressing the product range of the company. Two famous examples are General Motors and General Electricals. It seems the function that brand was supposed to perform either to indicate the source or the origin of the product (family name) or indicate the product range. However, a brand name has emerged one of the most important elements of the merchandising function in the recent times and will become more and more crucial as the competition becomes more severe in India. Let us understand, what is the conceptual meaning of the term brand and brand name?

**Brand:** Brand is a name, word, mark, symbol, device or a combination thereof, used to identify some product or service of one seller and to differentiate them from those of competitors. The definition clearly focuses on the function of a brand, that is, to identify, irrespective of the specific means employed for the identification.

**Brand Name:** Brand name is that part of a brand consisting of a word, letter, group of words or letters that can be vocalized. Comparing this definition with that of a brand, it is found that the function remaining the same, brand name is only one of the means that the brand can use for identification. Brand name is a word or a combination of words/letters that is pronounceable, e.g., **Colgate** toothpaste, **Dove** soap, etc.

**Brand Mark:** Sometimes you must have also heard the word brand mark. Since brand name is used in identification of a product amongst a competing set, it is necessary that each brand must have only a unique identity. This brings in the concept of brand mark. *A brand mark is a symbol used for the purpose of identification. It can be a mark, a design, a distinctive logo type or a colouring scheme a picture etc.* In other words, it is not a name but a means of identification. For example, picture of an elephant in a distinct frame used by the Department of Tourism, Government of India or the

famous star-circle of Mercedes Benz car, or T in circle which you must have seen on buses and trucks made by TELCO.

**Brand Name Versus Trade Mark**

Quite often, brand name and trade name are used synonymously. In fact there is difference between these two terms. A trade mark is the legalised version of a brand. Brand falls under the category of industrial property rights and, therefore, subject to certain rules and regulations. It can be registered and protected from being used by others. *The American Marketing Association defines a trade mark as a brand that is given legal protection because, under the law, it has been appropriated by one seller.* **Therefore, we can define a trade mark as a brand or a part that is given legal protection because it is capable of exclusive appropriation.**

Thus, trade mark is essentially a legal term. All trade marks are brands, but a brand can be called as a trade mark only when it is legally protected and has been appropriated by one seller. As all trade marks are brands, a trade mark may include words, letters or numbers that can be pronounced and also may include pictorial design (brand mark). **When a brand is registered, it becomes trade mark and such trade mark is shown by displaying the letter R enclosed in a circle, shown as ®**

**Check Your Progress A**

Select five durable goods and five non-durable goods in your house. Identify the brand name, brand mark and trade mark notice ®

Brand Name	Brand Mark	Trade Mark Notice ®
<b>Durable Goods</b>		
1) .....	.....	.....
2) .....	.....	.....
3) .....	.....	.....
4) .....	.....	.....
5) .....	.....	.....
<b>Non-durable Goods</b>		
1) .....	.....	.....
2) .....	.....	.....
3) .....	.....	.....
4) .....	.....	.....
5) .....	.....	.....

## 7.2.2 Advantages and Disadvantages

Advantages and Disadvantages of branding can be analysed from three different standpoints of buyers, sellers, and society. Let us discuss them now.

**Advantages:** Buyers, sellers and the society as a whole may derive the following advantages from branding:

**Buyers:** The buyers can derive the following advantages:

- 1) A brand generally denotes uniform quality.
- 2) It makes shopping easier.
- 3) Competition among brand can, over a period of time lead to quality improvements.
- 4) Purchasing a socially visible brand can give psychological satisfaction to the buyer.

**Sellers:** A marketer can also derive following advantages:

- 1) It helps in product identification.
- 2) In a highly competitive market, it can carve out a niche for itself through product differentiation.
- 3) If brand loyalty can be developed through successful promotion, the firm will be able to exert quasi-monopolistic power.

**Societal View:** From a macro-standpoint, a brand's role in improving and maintaining product quality can be considered as positive. Brands also help in better dissemination of product knowledge. Better product knowledge can contribute to more scientific and rational decision making among buyers. This will result in rational allocation of scarce resources which ultimately leads to overall welfare of the society.

**Disadvantages:** Branding has the following disadvantages to the buyers, sellers and the society as a whole:

**Buyers:** Branding has the following disadvantages to the buyers :

- 1) Since brand development costs money, product prices tend to go up. This may lead to higher prices to consumers.
- 2) Taking advantage of the popularity of a brand, a manufacturer may reduce quality gradually.

**Sellers:** To obtain the advantages, the sellers have to spend money for developing and promoting brand name. It increases the cost of production which ultimately leads to higher prices. Once the price is higher, seller may find it difficult to achieve the targeted sales.

**Society:** Expenditure on promotion of a brand is considered as a social waste. Such wasteful expenditure will increase the cost of production and thus

higher prices. This is not considered as good from the society point of view. It is also felt that consumers become loyal to established brands and may not be willing to shift to new brands. This may ultimately prevent the new producers from entering the market.

### 7.2.3 Branding Decisions

Branding has emerged as one of the most important activities in the area of marketing of products especially consumer products. Several decisions need to be taken, though not simultaneously, with regard to brand selection and its use. The following questions are to be answered in the process of selecting the brand name:

- 1) Should the product be branded at all?
- 2) Who should sponsor the brand?
- 3) What quality should be built into the brand?
- 4) Should each product be individually or family branded? Should other products be given the same brand name?
- 5) Should two or more brands be developed in the same product category?
- 6) Should the established brand be given a new meaning (repositioning)?

Let us consider each of these issues in detail :

- 1) Whether to brand a product or not is a decision which can be taken only after considering the nature of the product, the type of outlets envisaged for the product, the perceived advantages of branding and the estimated costs of developing the brand. Historically, it is found that brand development is closely correlated with the increase in disposable income, the sophistication of the distribution system and the increasing size of the national market. The same trend is visible in India now.

Even few years back, nobody could have thought of selling branded rice or refined flour. But now several firms in the recent past have become successful even in such product categories. The basic reason is that the consumers are willing to pay more for uniform and better quality product represented by the brand. When customers buy a branded product, they get the same quality in whichever retail shop they buy. Many other commodities, such as spices are also now being branded. There is no doubt that this trend will become stronger in the coming years.

- 2) The question of sponsorship of a brand refers basically to the decision as to whether it should be a manufacturer's brand (also known as a national brand) or a private brand (also known as a middleman's brand) or partly manufacturer's brand and partly private brand. In most developed countries where large chain/departmental stores dominate the retail distribution system, retailers buy the products from manufacturers and sell under their own brand. This is however, largely a hypothetical

question in India, where retail distribution system was highly fragmented. These days the distribution system has improved. The Super Bazars have started marketing a few products which are specially packed and sold under their names. However, if outlets of Super Bazars, Mother Dairy and National Consumers Co-operative Federation increase in sufficient numbers, it is possible that private brands will also flourish in future. Some retailers' brand names in the product categories of sarees and car accessories have already been established.

- 3) A very crucial decision is with regard to the quality and other attributes to be built into the product. The matrix of such attributes will decide the product positioning. A marketer has the option to position his product at any segment of the market; top, bottom or the intermediate. For example, Surf Excel and Ariel are positioned as a premium quality and high-priced product. At the other end of the scale, Nirma and Tide is positioned as low-priced, while products such as Rin is somewhere in between.
- 4) You have to decide whether to adopt a family brand or individual brand. Under **family branding** all the products get the same brand name. For example, Videocon, L&T and Kissan follow this policy. Under the **individual branding**, each product is given a different name. For example, Hindustan Unilever sells its products under different brand names.

One basic **advantage of using the family brand** is that it reduces the costs of product launching and promotional expenditure substantially. The firm has to promote only one brand which, if successful, would be able to sell the entire product line. Lining up the distribution channel members also becomes comparatively easier. A family brand name has been found to be very cost effective in tyre marketing. If one product does exceptionally well, other products marketed under the same brand may have positive impact.

It is, however, **necessary to be cautious in following family branding**. It will be a very ill-advised strategy if the products being offered are of highly uneven quality. It may not also be a good strategy if the markets are quite dissimilar in terms of consumer profile. A greater weakness of this strategy is that it does not recognise that each product can be given a specific identity by a suitable brand which can go a long way to make it successful.

**The weakness of family branding becomes the principal strength of individual branding strategy.** Recent consumer researchers have established that a name can have varied associations and conjure diverse images. These psychological factors can immensely influence the buying decisions. Individual brand strategy is in a position to take care of this aspect of marketing. The second advantage of this strategy is that if there

is a product failure, its damaging effect will be limited to that particular product only and will not extend to the entire product line.

The **basic disadvantage of individual branding** lies in the economics of developing an individual brand. It is obviously a costlier strategy than the other. The other disadvantage is that the brand does not directly derive any benefit from the reputation of the firm.

**To take care of these problems, some firms follow a slightly modified strategy.** This involves using individual brands but also giving prominence to the company name or logo in all promotional campaigns as well as in product packaging. For example, TOMCO follows individual brand strategy but displays prominently the words “**A TATA PRODUCT**”. In many cases a brand extension strategy is adopted. This really is **an effort on the part of the manufacturer to secure additional mileage from a particularly successful product for launching either similar or even dissimilar product under the same brand.** Under this strategy the brand name is of the same product which the manufacture uses to become successful in boosting the sales of the new product. The successful example is the decision to introduce **Maggi** to capitalise on the image of Maggi range of success brand of noodles.

- 5) A firm may decide several brands of the same product which to some extent are with each other. The basic reason is that, at least in the consumer products, various benefits and appeals and even marginal difference between brands can win a large following.
- 6) **Brand Repositioning:** Over the life cycle of a product, several market parameters might undergo a change such as introduction of a competing product, shifts, in consumer preferences identification of new needs etc. All and each of such changes call for a relook as to whether the original positioning of the product is still optimal or not. Stagnating or declining sales also point to a need for reassessment of the original product positioning. For example, Thumps Up had positioned several times, from the young to the professionals to the kids and back to the young.

#### 7.2.4 Selecting a Good Brand Name

Finding an appropriate brand name for a new product is a tricky job, basically for two reasons - Firstly, the name should be one which satisfies several marketing criteria, some of which are discussed below. Secondly, the name should not be one which is already being used by another firm. This necessitates extensive investigations.

There is no simple solution to the problem of selecting a brand name. However, through extensive research and past experiences, market researchers have developed certain principles which should be followed while selecting the brand name. While selecting a brand, one should see that the brand accomplish the following features.

- 1) A brand name should reflect directly or indirectly some aspect of the product, viz. benefit, functions, etc. For example, the name '**Burnol**' immediately connotes that the product has to do something with burns.
- 2) A brand should be distinctive, especially if the product requires such distinction. For example, a name like '**Chancellor**' for a cigarette conjures up ideas of status, power and opulent life style.
- 3) A brand name should be easy to pronounce and remember. Examples are **Vimal, Hamam** etc.
- 4) It should be such that it can be legally protected, if necessary.

A firm invests substantial amount of money on a brand. It should therefore, ensure that nobody else takes advantage of the brand illegally. But, there is no fool-proof system for trade mark protection. However, the steps outlined below can be of a great help for protecting the trade mark.

- 1) Use the generic name of the product in association with the trade mark. An example is **Pearlpet** where PET is the acronym for generic technical product i.e. Polyethylene Terephthalate while Pearl is the brand associated.
- 2) Designate the brand name as a trade mark by actual notice. If the brand name is registered, the proper form of notice is the letter R enclosed in a circle.
- 3) Display the mark with some form of special graphic treatment. A trade mark is not a noun. Therefore it can be capitalised. It will be better if it can be printed in some distinctive logotype.
- 4) Do not use the trademark in the wrong grammatical form. It should not be used as a noun, verb, in the plural, or in the possessive.
- 5) It should not be altered by additions or abbreviations.
- 6) Use the trade mark for a line of products.

### 7.2.5 Registration of Trade Mark in India

In India, trade and merchandise marks are registered under Trade Marks Act (1999). The owner of the trade mark has the right to its exclusive use and provides legal protection against infringement of his right. If the mark is registered it is displayed along with the brand by the letter 'R' enclosed in a circle® A trade mark is registered for a maximum period of ten years and is renewable for a similar number of years, each time the period of ten years expires. Further, no such trade mark should be used which is likely to be descriptive or confusing, or is scandalous or obscene, or which hurts the religious sentiments of the people of India.



## Check Your Progress B

- 1) Differentiate between family branding and individual branding.
- 2) List four brand names which express the function of the product.
- 3) List four brand names where manufacturer's name is associated.
- 4)
  - i) Write five family brand names and analyse the product sold under each of these brands.
  - ii) Prepare a list of five companies which follow individual branding strategy and identify their products.
  - iii) Based on 4(i) and 4 (ii) above, analyse what kind of products have family and individuals brands.
- 5) State whether the following statements are **True or False**.
  - i) It is compulsory to register the brand name in India.
  - ii) Brand mark and trade mark are one and the same.
  - iii) A brand generally denotes a uniform quality.
  - iv) Branding helps in product identification.
  - v) From the society point of view, branding is always a waste.
  - vi) Trade mark can be copied by another manufacturer.
  - vii) A good brand is one which is easy to pronounce.

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## 7.3 PACKAGING

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### 7.3.1 What is Packaging?

Packaging is a very important function as most of the products offered in the market need package. Some marketers even call packaging a 'fifth P' along with promotion and physical distribution. As stated earlier, however marketers consider packaging as an element of product mix.

Packaging has been defined in both technical and marketing literature. One of the most quoted definitions of *packing is the art, science and technology of preparing goods for transport and sale*. This definition brings out two salient aspects of packaging. These are:

- 1) It has to help in the physical transportation and sale of the products packaged.
- 2) Packaging as a function consists of two distinct elements, (i) the positive aspects, viz. the science and technology related to package design, selection of packaging materials, etc., and (ii) the behavioural aspects, viz., the art of product design which is associated with consumer motivation research, buying research, etc.

The last aspect has been highlighted in another definition of packaging. *"Properly designed, the package should enhance the value of its contained product, and impart that impression, either directly or subtly, to the customer."* The role of packaging in value enhancement is increasingly becoming important in consumer marketing today.

***In marketing, packaging is defined as the activities of designing and producing the container or wrapper for a product. The container or wrapper is called 'package'.***

According to Philip Kotler and Gary Armstrong, the packaging may include up to three levels of material. The **primary package** is the products immediate container. If you take a shaving cream, the tube holding the shaving cream is the primary package. The **secondary package** is the material that protects the primary package and that is thrown away when the product is about to be used. The hard paper box containing a shaving cream tube is the secondary package. The **shipping packaging** is the packaging necessary to store, identify and ship the product. A big cardboard box in which several shaving cream tubes are packed is the shipping package. Finally, ***labelling is a part of packaging and consists of printed information appearing on or with the package.***

### **Packaging Industry**

An understanding of the packaging industry is necessary to fully appreciate the packaging revolution that has occurred in the consumer and industrial goods sectors. The packaging industry consists of primarily two distinct segments: 1) firms which manufacture the packaging materials, viz., tin, paper, plastics, etc., and 2) firms engaged in the formation of packaging. i.e., converting the packaging materials into unit/master packages. In addition there are other firms engaged in the printing of labels to be used in the unit/master packages, and the marketing research agencies which conduct specialised packaging research, generally for package development and adaptation.

Newer materials are constantly emerging in the packaging field and in many cases have eliminated or threatened the older materials, such as wood and steel, because of the relative cost advantage or better performance characteristics.

The important packaging materials today are:

- 1) Metals -- Aluminium, Tinsplate and steel
- 2) Plastics -- PVC, HDPE, etc.
- 3) Wood -- Wood and cellulose film
- 4) Paper -- Paper, board, corrugated board, etc.

- 5) Glass -- Clear, tinted, etc.
- 6) Laminates -- Aluminium foils, plastic film, etc.
- 7) Polyester -- PET

In line with the diversified packaging materials, the packaging formation has also undergone a revolution. The unit packages of consumer goods consist of bewildering variety. The master cartons in which the unit packages are packed are, however, getting increasingly standardised, especially due to the necessity of using containers in order to facilitate physical handling and shipment as well as to reduce packing costs and loss/damage to the goods during transit.

### **7.3.2 Functions of Packaging**

Packaging should perform the following basic functions: it should (1) protect (2) appeal, (3) perform, (4) offer convenience to the end-users, and (5) cost-effectiveness. Let us learn them in detail.

#### **Protection**

The primary function of packaging is to protect the products from the environmental and physical hazards to which the product may be exposed in transit from the manufacturer's plant to the retailer's shelves and while on display on the shelves. The specific types of hazards against which protection has to be sought would obviously vary from product to product. However, the principal hazards which are almost universal are:

- 1) Breakage/damage due to rough mechanical or manual handling during transportation.
- 2) Extremes of climatic conditions which may lead to melting, freezing, etc.
- 3) Contamination, either bacterial or non-bacterial, such as by dirt or chemical elements.
- 4) Absorption of moisture or odours of foreign elements.
- 5) Loss of liquid or vapour.
- 6) Pilferage during transit or storage.

#### **Appeal**

The package is increasingly being used as a marketing tool, especially in certain types of consumer products such as perfumes or several other gift articles. The importance is also increasing due to the changed structure of retail business, especially the emergence of self-service stores.

In the case of consumer products, package serves as a silent salesman. This is true irrespective of whether the product is a luxury, semi-luxury or an ordinary everyday use product. The following characteristics have been identified to help a package perform the self-selling tasks:

## Product

- 1) The package must attract attention.
- 2) The package must tell the product story.
- 3) The package must build confidence.
- 4) The package must look clean and hygienic.
- 5) The package must be convenient to handle, to carry out, to store and to use.
- 6) The package must reflect good value.

Packaging, however, is of greater importance in the case of certain specific types of articles. Industry-wise studies in several countries show that packaging costs in the cosmetics industry are much higher than other industries. This excessively high incidence is not due to the packaging which is required for the protective function but for making the product attractive, a status symbol and ego-satisfying. Other products such as chocolates in gift packs are also instances where packaging performs a basic marketing function by making the products more appealing.

Consumer research on packaging has basically concentrated on two aspects which are presumed to have an influence on consumer purchase decisions. The first one is colour and the second is the package or container design. Almost all researchers have come to the conclusion that each colour has its own distinct characteristics and therefore, has to be used in a package so that there is no mismatch between what is expected of the package and the colour used in the packaging.

One additional problem in this area is that people in different countries display divergent colour preferences, due to their diverse socio-cultural-religious backgrounds. Similarly, research has been carried out on the desirable properties of a container. Slender and cute containers are often used for beauty-care product for the feminine sex, as these are expected to create an appropriate image of the product. Graphics and Logo types are also important in designing and conveying the total product image,

### **Performance**

This is the third function of a package. It must be able to perform the task for which it is designed. This aspect becomes crucial in certain type of packaging. For example, an aerosol spray is not only a package but also an engineering device. If the package does not function, the product itself becomes totally useless.

### **Convenience**

This package must be designed in a way which is convenient to use. The important point to be appreciated, however, is that it should be convenient not only to the end users but also to the distribution channel members, such as wholesalers and retailers. From the standpoint, the convenience will relate

to handling and stocking of packages. The specific attributes they would seek in a package in this context are:

- i) The package must be convenient to stock.
- ii) The package must be convenient to display.
- iii) The package does not waste shelf-space.
- iv) The package must retain its looks during the shelf-life.
- v) The master packages/cartons should be easy to dispose of

These days the last factor has been gaining importance due to increasing concern with solid-waste disposal. This, however, becomes a matter of importance while deciding on the transport packaging for export markets.

From the standpoint of the domestic or institutional end users, the convenience would refer to the ease of using the package, such as opening and closure of the package, the repetitive use value, disposability, etc.

### **Cost-effectiveness**

The package finally must be cost-effective. Packaging cost as a percentage of product cost varies dramatically from one industry to another, from less than one per cent in engineering industry to more than 10 per cent in the cosmetics industry. It is important to appreciate that while analysing packaging costs, it is not enough to consider only the costs of package. This is only one, component. The most important element is the total costs associated with packaging.

Cost in this chain consists of:

- i) Package costs incurred in inward delivery to the factory when the product is purchased from outside.
- ii) Storage and handling costs of the empty packages.
- iii) Filling costs, including quality control and handling of filled packages.
- iv) Storage costs of the filled packages.
- v) Transport cost for distributing filled packages.
- vi) Insurance cost for the transit period.
- vii) Losses due to breakage/spoilage of the product.

### **7.3.3 Criticism of Packaging**

Packaging is also subject to severe criticism because of the following reasons:

- 1) After consuming the product, consumers throw-away the containers in public places causing environmental problems. How to dispose of used containers is one of the major problems.

- 2) Scarce raw materials are consumed for the manufacture of containers. This depletes our natural resources. However, this criticism is offset as more and more recycled materials are used for packaging.
- 3) Packaging increases the product cost and this leads to higher prices to consumers. But it is argued that effective packaging reduces the transport costs and the losses due to spoilage. The benefits so derived may offset the cost of packaging.
- 4) Health hazards occur from some forms of plastic packaging and some aerosol cans.
- 5) It is also felt that sometimes packaging is deceptive. Customers may feel that the product inside is of good quality due to attractive packaging. Products of poor quality may be packed in attractive containers to catch the attention of customers.

### Check Your Progress C

- 1) Distinguish between packaging and labelling.
- 2) What are the basic functions of packaging?
- 3) State whether the following statements are **True** or **False**.
  - i) Protection of the product is the only function of packaging.
  - ii) Package should also be capable of attracting the attention of buyers.
  - iii) Colour of the package does not have any importance.
  - iv) Packaging always increases the product cost.
  - v) Package must be designed in a way it is convenient to users and middlemen.

### 7.3.4 Packaging Strategies

Product package often plays an important role in implementing sales promotion campaigns. Promotion is defined as a short-term special measure to boost sale of a specific product. There are several accepted promotional packaging techniques. Some of these are :

- 1) **Money-off Pack:** A 'flash' in distinctive colour is superimposed on the package announcing the special price discount being offered. This is the most widely used form.
- 2) **Coupon-pack:** A coupon of a certain value, either as a part of the package or placed separately in the package, can be redeemed after the purchase of the product.
- 3) **Pack-in-Premium:** A premium, i.e., the gift is packed within the original product package, viz., a handkerchief in a cosmetic product package.

- 4) **Premium-package:** A specially made package having either a re-use or prestige value is referred to as premium package. Instant coffee packed in glass tumblers having closures is an example of the first type. The set of audio cassettes presented in a specially designed wooden box is an example of the second type.
- 5) **Self-liquidator:** The buyer has to send to the company a number of packages or part thereof as evidence of buying the product. In return, he may purchase additional quantity of the same product at reduced prices or be rewarded with a different product. Several companies in India, in the processed foods and beverages industry, occasionally use this technique.
- 6) **Changing the Package:** Introduction of a new package can also be used as a promotional technique. For example earlier, edible oils were packed in tin cans in India which looked messy and dirty. Most of the larger firms have been using transparent one litre PET (polyethylene terephthalate) bottles which look gleaming and fresh. The companies are using this change of packaging quite effectively as an additional element in their advertising campaigns. Initially, Panama cigarettes were introduced in a soft packet of twenty for the first time in India. The instant popularity of the brand was substantially due to this novelty. *The strategy of package changes is followed either to correct a poor feature in the existing container or to take advantage of new materials.*
- 7) **Odd Size Packaging:** Packaging can also be used ingenuously to avoid direct price comparison with the competing products. This is done by a deliberate choice of odd size, while the competing brands follow a standard size. In India Maggi Ketchup was introduced in the market in 400 grams bottle, while the industry-wise standard size was 500 grams bottle.
- 8) **Packaging the Product Line:** Packaging can be used to develop a family resemblance in the packaging of its several products. Identical packages or the packages with some common line. This kind of packaging strategy had the benefits of family branding. **Under this strategy, when new products are added to a line, promotional values associated with old products extend to the new ones.**
- 9) **Multiple Packaging:** Placing more than one unit in one container is referred to as multiple packaging. This packaging strategy increases the sales to a large extent.
- 10) **Other Applications of Packaging as Marketing Tool:** There are several other innovative ways in which the packaging can be used for achieving higher sales. The area of processed foods the shelf-life of the product is an important consideration. Any firm which can guarantee a higher shelf-life would be one-up on its competitors. Indian company, Tasty Bite Eatables which is in the area of frozen and pre-cooked foods,

identified the 18 months shelf-life of its products as the major strength. The increased shelf-life is to a large extent due to better packaging.

### 7.3.5 Legal Dimensions

While managing the packaging function, constant attention needs to be given to the various regulations that the government has laid down in this respect. Government regulations are many and encompass areas such as the use of a specific packaging material for certain products, consumer protection, transportation of hazardous cargo etc. The most pervasive among these is the regulation relating to the information a manufacturer is obliged to provide in the package itself on the product. This is commonly known as labelling requirement and covers a host of commodities. Principal among these are food products, cosmetics, pharmaceuticals, etc.

*Label is defined as a display of written, printed or graphic matter on the container or the package of the container.*

A label need not be only a fulfilment of legal requirement. In fact, properly conceived, a label can be an important sales instrument. Since a label is the nearest source of information on a product, a buyer who otherwise may be ignorant of the product or loyal to a different brand, can be persuaded to read the label, and may in fact try the product, even if he had no such premeditation. This is especially true of purchase made in super markets or departmental stores.

A good label is one which helps a potential buyer to make his decision by providing relevant and correct information. Apart from the information which must be statutorily given, the label should therefore provide:

- i) Picture of the product, accurate as to size, colour and appearance.
- ii) Description of raw products used along with methods of processing.
- iii) Directions for use, including cautions against misuse.
- iv) Possible adverse effects, if any.
- v) Brand name.

Statutory requirements relate generally to:

- i) Net weight, when packed.
- ii) Date of manufacture.
- iii) Date of expiry, if any.
- iv) Maximum retail price including or excluding local taxes,
- vi) Directions for use including dosage requirements.
- vii) Directions for storage.



### Check Your Progress D

- 1) What is multiple packaging? Give two examples.
- 2) What are the basic purposes of changing the package?
- 3) What is the objective of odd size packaging? Give two examples where this is adopted.
- 4) Given below is a list of products along with their old and new types of packaging

For each of the product category which is the best packaging form in your opinions. State the reasons.

- i) Edible oil (a) in tin (b) in HDPE Polyjar and (c) transparent PET jar
- ii) Vanaspathi/ghee (a), in tin and (b) in plastic pouch
- iii) Fruit Juice (a) in bottle, (b) in tin and(c) in tetra pack (e.g., Frooti)
- i) Shampoo in (a) glass bottle and (b) plastic bottle

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## 7.4 LET US SUM UP

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Brand management is one of the most important areas of marketing especially with reference to consumer products. The name gives the product its unique personality and is so well associated with the product that the brand name sometimes even takes the place of the generic product name. Branding has certain advantages and disadvantages to the buyers, sellers and the society as a whole.

The selection of brand name is an important decision. You can choose any brand name you like as long as it is unique, easy to read, write, pronounce and remember, and does not have any unfavourable or negative meanings associated with it. You may choose a common family brand name for all your products or give each product its own distinctive brand. Each choice has its advantages and disadvantages and there are enough cases of success and failure to justify your choice. Sometimes even the most difficult sounding brand names succeed while catchy and simple brand names fail. In India trade and merchandise marks can be registered under Trade and Marks Act, (1999) to get legal protection for exclusive use.

Packaging is another crucial aspect of marketing which plays an important role in determining the success of a product because implications of packaging decision are obvious since the customer confronts it face-to-face. There are so many instances of good products having failed because of poor packaging.

The Indian market is today flooded with exciting new types of packaging material which have replaced the traditional packages. These new packaging materials have made it possible to market products such as potato wafers,

snacks, and other fragile food items. Good package must protect the contents stored inside it, be attractive to the customer, be convenient to handle, store and use and perform the functions required of it. Some people are very critical of packaging because of the problems involved in the disposal of used packages, cost of developing packages, health hazards, usage of scarce resources, and possibility of misleading about quality of the product.

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## 7.5 KEY WORDS

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**Brand:** A name, word, mark, symbol device or a combination thereof, used to identify some product or service of one seller and to differentiate them from those of competitors.

**Brand Name:** That part of a brand consisting of a word, letter, group of words or letters that can be vocalised.

**Brand Mark:** That part of a brand consisting of a mark, design, distinctive logo type, colouring scheme or picture used for the purpose of identification.

**Family Branding:** A branding strategy in which a group of products is given a single brand. It is also called blanket branding.

**Label:** Part of package and consists of printed information appearing on or with the package.

**Packaging:** The activities in product planning that involve designing and producing the container or wrapper for a product.

**Trade Mark:** A brand or a part that is given legal protection because it is capable of exclusive appropriation.

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## 7.6 ANSWERS TO ANSWERS TO CHECK YOUR PROGRESS

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B	5	i) False	ii) False	iii) True	iv) True	v) False
		vi) False	vii) True			
C	3	i) False	ii) True	iii) False	iv) False	v) True

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## 7.7 TERMINAL QUESTIONS

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- 1) Identify the basic factors that prompt a company to brand its products. Select any well-advertised brand of your choice and define the personality of that brand.
- 2) What are the brand strategy options open to a firm? Discuss their relative strength and weaknesses.
- 3) Select a branded consumer product of your choice. Analyse in detail the factors that have contributed to its success.

- 4) Do you consider branding to be of identical importance in marketing (a) industrial products, (b) consumer products, and (c) agricultural products? Give five supportive arguments.
- 5) Sometimes even a well-established company tries to promote only the individual brand and keep its own name as inconspicuous as possible. Can you explain this strategy?
- 6) One marketing expert strongly urged every manufacturer to adopt a 'nonsense word' as the brand. What can be the reason for this recommendation?

**Note:** These questions will help you to understand the unit better. Try to write answers for them. But do not submit your answers to the University for assessment. These are for your practice only.

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## SOME USEFUL BOOKS

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Indira National Open University School of Management Studies. 1989, Marketing For Managers MS-6, Marketing Indira Gandhi National Open University :New Delhi (Units 11-13)

Kotler, Philip, Gary Armstrong. 1987. *Marketing An Introduction*, Prentice Hall, Englewood Cliffs. (Chapters 9 and 10)

Neelamegham, S. 1988. *Marketing in India Cases and Readings*, Vikas Publishing House : New Delhi, (Chapters 36-41)

Sherlekar, S.A. 1984. *Marketing Management*, Himalaya Publishing : New Delhi (Chapters 12 and 13)

Stanton, William, J., and Charles Futrell. 1987. *Fundamentals of Marketing*. McGraw-Hill : New York. (Chapters 9-11)



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