

MASTER OF COMMERCE

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Unit-V-PACKAGING, BRANDING, & NEW PRODUCT DEVELOPMENT

PACKAGING

Packaging refers to the process of designing the packages such as containers, wrappers etc. It plays a very significant role in the marketing success or failure of many products especially for non-durable consumer products.

It not only provides protection to the product but also acts as a promotional tool. Sometimes, customers assess the quality of the product from its packaging. Packaging has played an important role in the success of many products like Colgate Toothpaste, Taj Mahal Tea, Lays Wafers etc. It has been described as silent salesman. Earlier, packaging was considered a major expense in marketing. For some toiletries, packaging costs actually exceeded the costs of contents. Today, it is however, fully recognized that packaging helps in branding and promoting brand loyalty. It also enables the buyers to handle and carry their products with ease. Moreover, packaging may cut marketing costs thus adding to profit.

QUALITIES OF GOOD PACKAGING

- Attractive appearance
- Convenient for storage and display
- Shield against damage or spoiling
- Product description shown on the package

FUNCTION OF PACKAGING ESPECIALLY FOR CONSUMER GOODS

- i. Protection and presentation are the basic functions of a packaging
- ii. Modern marketing methods demand that; package be convenient to handle transport requirements.
- iii. A package must be made to consistent and rigid quality standards. The consumer demands uniformity each time he purchases a product.
- iv. Transport economics
- v. Every package must be recognizable and
- vi. Every package must have eye appeal

ROLE OF PACKAGING

- 1) It helps increase sales
- 2) It adds to the use of a product
- 3) It helps promote a product
- 4) It contributes to the safety of a product
- 5) It helps in storage
- 6) It helps in product differentiation

Branding

Branding is a process which involves creating a specific name, logo, and an image of a particular product, service or company. This is done to attract customers. It is usually done through advertising with a consistent theme.

Branding aims to establish a significant and differentiated presence in the market that attracts and retains loyal customers. A brand is a name, term, symbol, or other feature that distinguishes an organization or product from its rivals in the eyes of the customer. Brands are used in business, marketing, and advertising.

Branding is not just about getting your target market to select you over the competition. It's also about getting your prospects to see you as the sole provider of a solution to their problem or need. In its essence, branding is a problem-solver. A good brand will:

- Clearly deliver a message
- Confirm the brand's credibility in the marketplace
- Emotionally connect target prospects with a product or service
- Motivate the buyer to make a purchase
- Create user loyalty

Features of Branding

Targetability

Branding should be planned according to the targeted audience. No business firm can target the entire population. Business owners should identify the type of people who are buying their products and services. Research should be done on the basis of age, gender, income, the lifestyle of their customers, etc.

Awareness

The percentage of people who are aware of a brand is known as brand awareness. Well established companies have the benefit of a high level of brand awareness. Brand awareness can be increased with the help of advertisement on TV, radio, newspaper or social media marketing and advertising. Logos also help companies build brand awareness, as people often recognize brands by these symbols or diagrams.

Loyalty

Brand loyalty is the highest achievement or apex of any company. A customer who buys the product of a particular company extensively is known as a brand loyalist. Many consumers prefer using certain brands of clothing, deodorants or tubes of toothpaste, for example. They like how these brands benefit them. Brand loyalty can be built by staying in touch with the customers, asking them for their reviews.

Consistency

Consistency is necessary for a brand. A brand must remain consistent. Small businesses make numerous promises in commercials and ads about their brands, and consumers expect companies to continue living up to these promises. Their products should also be effective.

New Product Development Process

New product development (NPD) is a complete process of creating and bringing a new product to market. New product development is the process of exploiting market opportunity by turning it into a product or service available for sale. A good understanding of customer needs and wants, the competitive environment and continuous practices, and strategies to better satisfy the customer requirements and increase their market share regulate development of new products. The notion of new product needs to be explained here. By and large, the newness of a product depends on what the customer or target market consider as new. For this reason, a new product can be an invention (entirely new which does not exist before), innovation (new to the company but existing in the industry), or product modification (changing the package, size, design and other features). There are eight steps involved in new product development namely:

- Idea Generation
- Idea Screening
- Concept Development and Testing
- Business Analysis
- Marketing Strategy Development
- Product Development
- Test Marketing

- Commercialization

Idea Generation: It is the act of getting as many ideas as possible. Ideas for new products can be obtained from customers, sales representatives, employees, distributors, company's research and development department, competitors, focus groups, or brainstorming. Lots of ideas are generated about the new product and out of these ideas some are implemented. Idea generation or brainstorming of new product, service, or store concepts usually begins when market opportunities are identified so as to support your idea screening phase.

Idea Screening: It is the process of screening the ideas generated in order to do away with those ideas that are not consistent with the company's objectives and resources. This is with a view to eliminate ideas that are not feasible, viable, and acceptable. Many organizations use different criteria in screening the ideas, but in general, screeners often look at the viability, feasibility, and acceptability of the ideas at hand.

Concept Development and Testing: The ideas that pass through the screening stage are then developed into concept on paper stating clearly the marketing and engineering details of the product. In essence, the concept will indicate the target market for the product, its benefits, features, and attributes as well as the planned proposed selling price for the product. Similarly, concept should contain the estimated cost of producing the product and its perceived competing brands in the chosen market. When the concept is developed, it has to be tested by asking a number of prospective customers to evaluate the idea based on its feasibility and marketability.

Business Analysis: This stage of the new product development process is geared toward evaluating the overall cost, sales revenue, and profit potentials of the contemplated product idea. This is achieved through such analysis as industry's market potential, market size and growth rate, sales forecast and demand estimation, as well as the estimated profitability, and break-even point for the target product. The main purpose of this analysis is identifying those ideas that are apparently feasible and financially viable. Ideas that are not viable can also be dropped at this stage

Marketing Strategy Development: The most viable ideas that scaled through the previous stages can be used as good candidates for marketing strategy development. In its basic form, this stage calls for formulating the product, pricing, distributing, and promotion strategies to be used in marketing the proposed products when it is introduced. It is pertinent to note that these strategies should be flexible such that it can be modified to conform to the dynamism of the environment.

Product Development: It is at this stage that the actual or physical prototype of the successful idea will be produced. For example, if a company is producing an auto car it will produce a car prototype-like toy car containing all the features and designs specified in the concept development stage. If it is a service, a complete service package will be developed ready for test marketing.

Test Marketing: Here, the company will test the product (and its packaging) in typical usage situations by conducting focus group customer interviews, dealer research or test it at trade shows to determine customer acceptance or otherwise. The company can use the outcome of the test to make adjustments on the planned marketing strategy where necessary. However, a

company has to be extra careful in test marketing its planned new product in order not to expose it to competitors who can easily see and imitate it to come up with their own version sometimes even quicker and better than the initiator.

Commercialization: This is the final stage of the development process in which the new product will be launched or born. Once it is introduced, it is no longer under the company's control but that of the market. Here a company has to decide on when, where, and how to introduce the product. The timing of the launch is critical as it can make or mar the product's success. For example, launching a new ice-cream during cold season is a wrong timing. The place or venue of launching should also be strategic and closer to the target market. Similarly, a company has to decide on how it can launch the product. There are two main options here namely waterfall and sprinkler approaches. In waterfall approach, a company decides to commercialize it at once in the whole market, which is, introducing it to the whole Nigerian market at a go for instance. The other option is to launch it gradually from one section to another up to the time that the whole market is covered, thus using sprinkler technique. However, the choice of an option depends on the nature of the market, company's resources and level of competition in the market.

In addition, to make its commercialization successful, a company should produce and place an effective promotion to create awareness after ensuring that the products are adequately distributed throughout the market. This is because it will be counterproductive for a company to promote a product that cannot be found in the market by potential buyers.