

# TYPES OF BRAND

**DR.Divya Shukla**  
**Assistant Professor**  
**Durga Mahavidyalaya**  
**Commerce Department**



# What is a brand?

- One definition of a brand is as follows:
- *“A name, term, sign, symbol or design, or a combination of these, that is intended to identify the goods and services of one business or group of businesses and to differentiate them from those of competitors”.*
- Interbrand - a leading branding consultancy - define a brand in this way:
- *“A mixture of tangible and intangible attributes symbolized in a trademark, which, if properly managed, creates influence and generates value”.*



# The meaning of brands

- Brands are a means of **differentiating** a company's products and services from those of its **competitors**.
- There is plenty of evidence to prove that customers will pay a substantial **price premium** for a good brand and remain **loyal** to that brand. It is important, therefore, to understand what brands are and why they are important.



# The Importance of Brands

- McDonalds sums this up nicely in the following quote emphasizing the importance of brands:
- *“...it is not factories that make profits, but relationships with customers, and it is company and brand names which secure those relationships”*
- Businesses that invest in and sustain leading brands prosper whereas those that fail are left to fight for the lower profits available in commodity markets.



# Types of brand

- There are two main types of brand – **manufacturer brands** and **own-label brands**.
- **Manufacturer brands**
- Manufacturer brands are created by producers and bear their chosen brand name. The producer is responsible for marketing the brand. The brand is owned by the producer.
- By building their brand names, manufacturers can gain widespread distribution (for example by retailers who want to sell the brand) and build customer loyalty (think about the manufacturer brands that you feel “loyal” to).





# Private Label brands

- Own-label brands are created and owned by businesses that operate in the distribution channel – often referred to as “distributors”.
- Often these distributors are retailers, but not exclusively. Sometimes the retailer’s entire product range will be own-label. Own-label branding – if well carried out – can often offer the consumer excellent value for money and provide the distributor with additional bargaining power when it comes to negotiating prices and terms with manufacturer brands.





# Advantages of Private Brands

- Earn higher profits
- Less pressure to mark down prices
- Ties customer to wholesaler or retailer



# Advantages of Manufacturers' Brands

- Develop customer loyalty
- Attract new customers
- Enhance prestige
- Ensure dealer loyalty



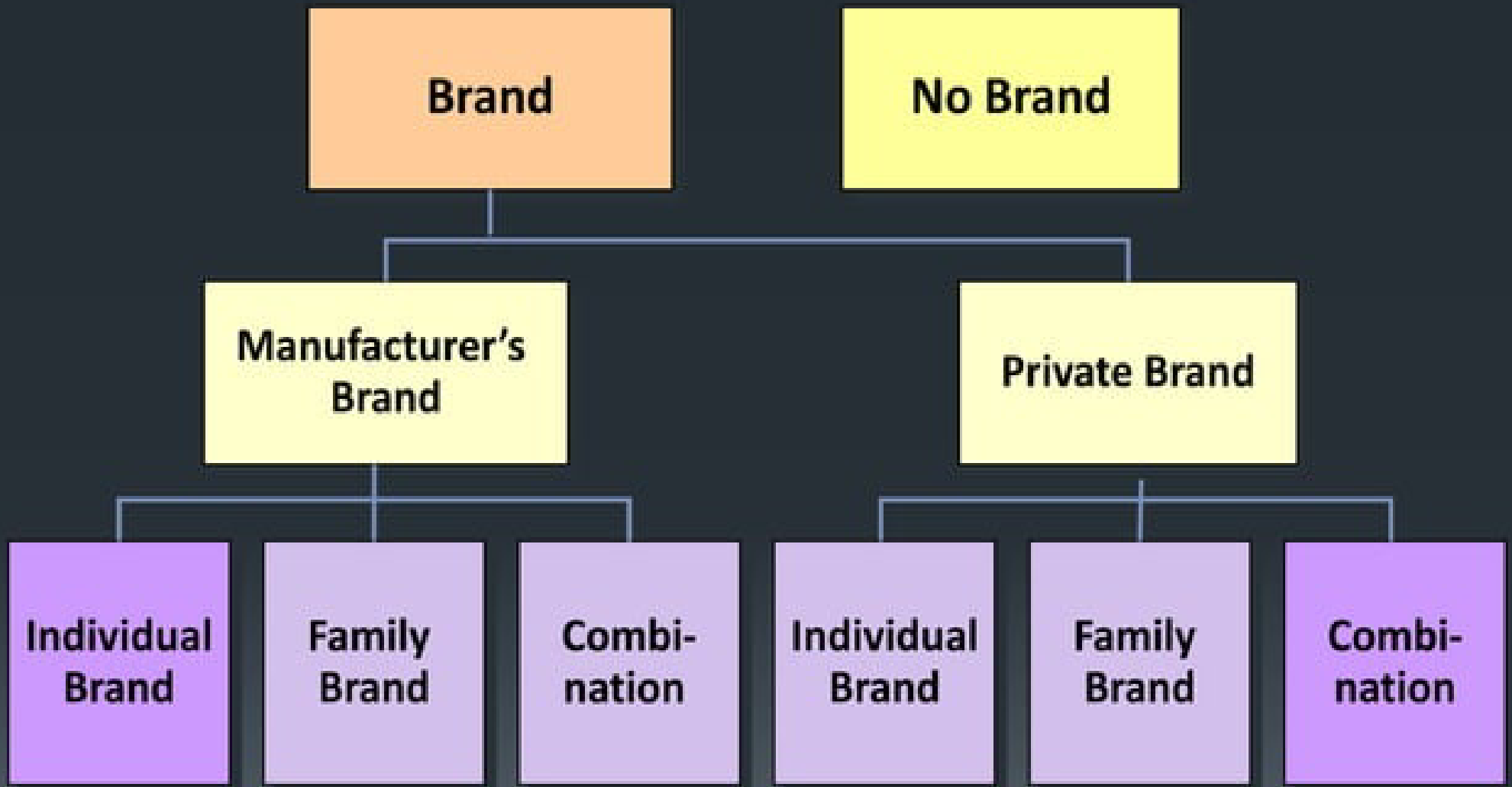


# Individual Brands Versus Family Brands

<b>Individual Brand</b>	<b>Using different brand names for different products.</b>
<b>Family Brand</b>	<b>Marketing several different products under the same brand name.</b>



# Branding Strategies



THANK YOU



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