

FACTORS AFFECTING BRAND CONVERGENCE

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ABSTRACT

Brand convergence can be defined as reduction in the difference of consumer product selection within a specified population resulting into a growing similarity of preferences. For instance over a period of time there can be a reduction in the difference of product selection by rural and urban customers. Two sets of factors broadly influence brand convergence – brand related and customer related. Brand related factors are those factors that are related with the product itself. For example, brand experience is a brand related factor. Similarly price perception is a factor related to the product itself. Consumer related factors are related to the consumer and his personal environment. For example culture is a consumer related factor. Similarly demography is another consumer related factor. These two broad set of factors, brand related and consumer related, are not altogether independent and influence each other to some extent. Marketers should carefully take stock of all these factors to understand the process of brand convergence.

Keywords: Brand convergence, Brand image, Price perception, Brand experience

Introduction

Concepts related to brands have always been a great material for marketing research. Brand convergence is one such aspect that has been discussed, researched and experimented in the marketing arena. Brand convergence can be defined as reduction in the difference of consumer product selection within a specified population resulting into a growing similarity of preferences. After the article published by Levitt in 1983 on globalization and standardization, brand convergence has assumed importance among marketing researchers. Brand convergence becomes possible because the culture is not constant; rather it is assimilative in nature. Culture is dynamic and is learned over a period of time. Information dissemination through various technology platforms has led to convergence of thought and hence people have similar perception for various global brands. Global Marketing strategies and global consumer products are also drivers of cultural change. This change has also contributed to the brand convergence. Factors influencing brand convergence can be classified into 2 major groups – brand related factors and customer or consumer related factors. Brand related factors are those factors that are related with the product itself. For example, brand experience is a brand related factor. Similarly price perception is a factor related to the product itself. Consumer related factors are related to the consumer and his personal environment.

For example culture is a consumer related factor. Similarly demography is another consumer related factor. These 2 factors are not absolutely independent. To some extent they influence each other. For example – advertising and promotion may influence cultural perception. Similarly demographic features may influence the promotional campaign that is used for a particular brand. In this paper we discuss some of the important brand related factors that influence brand convergence.

Factors affecting brand convergence Brand Image

Keller defines brand image as "*perceptions about a brand as reflected by the brand associations held in consumer memory*" (Keller, 1993). Brand image refers to "the entire array of associations that are activated from memory when consumers think about the brand" (Blackwell, 2006). The values which make up a brand exist because they are perceived. They are also evaluated positively or negatively by customers and potential customers. These evaluations come together to form the brand's image. Brand image is perception not necessarily a fact. Buyers act on perceptions as if they were facts. Brand image is what we know of the brand in the past and ignores the future. It is short-term tactical view. Brand identity goes much further than image. Brand meaning can just be written in Brand identity book or brand guidelines, it evolves in the minds of customers. People may use,

perceive same brand differently. People experience brands different setting; situations and psychological states, and therefore their understanding of brands varies. In other words, brands have multiple meanings for consumers. Those brands that have the highest number of positive meanings will be the most valuable and will provide the most benefit for consumers (Krishnan, 1996). Brand image can be viewed as the totality of physical, psychological and functional aspects of the brand. (Sengupta, 1990) Brand image is what customers think about brand. Images can be provider driven, user driven or product driven. Anandam represented the concept of brand image as $\text{Brand Image} = \text{Brand Identity} + \text{Error}$. The equation is explained as company wants project identity through different marketing mix elements like advertising, packaging, etc. But because of macro-environmental factors, which influence communication. Brand image is formed. The error represents macro-environmental effect because of word of mouth, expectations and emotional attachments of the customer, etc. (Anandam, 2009). Brand Image is a description of the associations and beliefs the consumer has about the brand. Brand description (or identity or image) is tailored to the needs and wants of a target market using the marketing mix - product, price, place, and promotion. David Ogilvy considers brand image and brand personality as synonyms. He quotes that the manufacturer who dedicates his advertising to building the most favorable image, the more sharply defined personality, is the one who will get the largest share of market in the long run. Brand image refers to the logical dimensions like quality, strength and flavor. It is an essence of all impressions or imprints about the brand that have been made on the consumers mind. It includes impression about physical features, functional benefits, imaginary or symbolic meanings it evokes in customer's mind. It is the totality of the brand in the perception of consumer (Sengupta, 1990). Physical attributes or tangible attributes, benefits or concrete attributes and intangible attributes are the important aspects of brand image. Intangible attributes of brand image cover a wide range of different types of brand associations, such as actual or aspirational user

imagery; purchase and consumption imagery; and history, heritage, and experiences (Keller, 2001). But even after significant degree of level of globalization, people from different cultures have different perceptions, needs, wants, preferences, attitudes, tastes and values. So people from particular cultures respond to brands, its communication in a particular way. As a result, a consumer from a particular country responds in a style consistent with that particular culture's norms and values (Banerjee, 2008). Companies have touch points with their market which create these perceptions. The touch points quality of promotion material, sales people, e-mails, literature, packaging, etc. (Hague, 2013). The question of interest is whether both the groups, rural and urban population, have access to these touch points – promotion material, access to product, access to product, exposure to the product mix? If the touch points are accessible to both groups, how perceptions are created in each group. Which factors are more influential in making positive or negative perception leading to brand preference? Which demographic factors moderate the perception about product or services leading to brand preference? Levitt's (1983) influential paper on the globalization of markets in which he states that "ancient differences in national tastes or modes of doing business disappear". It is not the question whether globalization is necessary or not, even after globalization across the world, the people from different countries, from different cultures have different perceptions, needs, tastes, beliefs, attitudes, preferences and values. As a result, a consumer from a particular country responds in a style consistent with that particular culture's norms and values (Neelankavil, 1997, Banerjee, 2008).

Price Perception

Price is clearly part of product image as some customers may relate price with quality (Lehmann, 2011). Price promotions can negatively influence aspects of a brand that is promoted, such as the perceived brand quality and brand image. A series of two experiments was conducted to test whether the deep price promotion influenced the taste experience of a store brand differently compared to a high end brand. Results showed that the deep discount

influenced the taste experience of the store brand negatively, whereas the taste experience for the high end brand was influenced positively (Waanders, 2013). Sales promotions can affect various aspects of a brand, such as the perceived brand image and brand quality. The effect sales promotions can have depends on different factors, such as the depth of the promotions, how the offer is presented. The promotion could have different consequences (either positive or negative) for various brands within a product category. Montaner and Pina found that sales promotion can have a negative effect on the perceived brand quality and brand image (Montaner, 2008). DeIVecchio and his colleagues (2006) conducted a meta-analysis and found that the effect of sales promotion on post-promotion brand preference for unfamiliar brands was more harmful than it was for familiar brands. In addition to that, promotions by durables and services were associated with more negative effects on post-promotion brand preference compared to packaged goods. The type of promotion influenced the effect on post-promotion brand preference. The promotion can either negatively or positively influence the post-promotion brand preference. Depending on the product and sales promotion (DeIVecchio, 2006). Very different from the concept of price, price perception is customer value – what the product is worth to the customer? Customer value depends on the benefits offered (from the customer prospect) and the costs involved (Cost, maintenance, etc.). This value can be classified in three different categories – Economic, functional and psychological.

Economic value is economic benefit customer derives from using a product. Functional value is provided by the performance features of the product offering functional benefits. Psychological value reflects from brand image-how the product “feels”? and whether that “feeling” matches the image the customer wants to project? Customer value manifestations can be measured through signs like price, Price Sensitivity, Word of mouth, Sales, Profit Contributions, Repeat Purchase rate, etc. (Lehmann, 2011).

The price charged has several implications on the brands in terms of how is perceived by the customers, how it influences demand, how it

affects revenues of the organization and so on. Customers buy values and emotional satisfaction manifested in the form of a particular product. The price that consumers willing to pay is a function of the value that he mentally assigns to the brand (Kompella, 2006). As a marketer one should know which values are the consumer is willing to pay for and identify the maximum amount the consumer can pay. From the list of companies, the customer is paying particular price for that brand which offer correct blend of values.

Brand Experience

Schmitt and Brentt (1999) has developed the concept of *Customer Experience Management (CEM)* by contributing many books and articles. He defined it as the process of strategically managing a customer’s entire experience with a product or company. According to Schmitt, brands can help to create five different types of experiences:

- *Sense* experiences involving sensory perception,
- *Feel* experiences involving affect and emotions,
- *Think* experiences which are creative and cognitive;
- *Act* experiences involving physical behavior and incorporating individual actions and lifestyles, and
- *Relate* experiences that result from connecting with a reference group or culture. (Schmitt, 1999)

Brand experience is conceptualized as sensation, feelings, cognitions and behavioral responses evoked by brand related stimuli that are part of a brands design and identity, packaging, communication and environments. Brand experience directly or indirectly affects brand loyalty and customer satisfaction through brand personality association. Whenever the customer gets exposed to any element of brand, there is brand experience, whether its article in the newspaper, customer care number, advertisement or use of the product or service. Ensuring that customers get good experiences that also consistently is a critical success factor.

Brand experiences lasting and impactful have a strong effect on brand equity and loyalty. Brand understand the value of creating positive

brand experiences build experiential factors into the product or service offering (Kompella, 2006).

Companies should evaluate themselves about what they can offer to the customers and the brand stands for in the minds of customers, then they should go for branding and advertising campaigns, so that realistic expectations are created in the minds of customers. If gaps exist in the promises made, expectations from brand and experience, it will erode brand image of the brand and company as well. Brand experience will decide whether customers are going to avoid the brand, purchase it or going to spread very positive word of mouth about the brand in the society. Brand experience is about creation holistic environment, ecosystem, where all the positive brand attributes are connected and exposure of customers to the ecosystem. Whenever they have positive interaction, exposure to this ecosystem, consequently positive brand experience is formed as a sum.

To create excellent customer experiences, it's essential to gain deep insight into the customer's needs and wants. In other words, brands are multifaceted and complex—certainly much more than a name or image. If a consumer is not aware of a brand, they will never consider it even though it may be just what they want or need. First impressions and appearances are very important, and so is the quality of the foundation and building blocks, especially over the long term. Brands, like houses, have unique personalities. Customers develop relationships with brands that change over time as their needs and expectations evolve.

As the organizations think about how the customers' experiences add up to create their overall brand experience, it's helpful to focus on the three most essential marketing objectives and the metrics that reveal how well an organization is meeting those objectives:

1. Customer Acquisition: with a goal of acquiring the right customers in a cost-effective way. Three critical customer experiences in the acquisition process are awareness, learning and persuasion.
2. Customer Experience: Marketers must focus on product “wow” in delivering a “wow” customer experience that exceeds expectations. Three critical customer experiences required for product “wow” are great first-time usage, usability and benefit delivery.
3. Customer Retention: Marketers must focus on customer retention—retaining and nurturing loyal customers, and turning them into advocates. Three critical customer experience elements in the retention process are long-term usage and satisfaction, the purchase of more products and services, and positive word-of-mouth.

Evaluating these essential business-building drivers within the customer experience framework will help organizations focus on the most important levers for achieving marketing results. Strong brands enjoy customer loyalty and a potential to charge premium prices, and considerable brand power to support new product and service launches. Companies need to have a thorough understanding of the customer beliefs, behaviors, product or service attributes, and competitors. Consumer-brand knowledge can be defined in terms of the personal meaning about a brand stored in consumer memory, that is, all descriptive and evaluative brand-related information (Keller, 2003). Different sources and levels of knowledge such as awareness, attributes, benefits, images, thoughts, feelings, attitudes, and experiences get linked to a brand and it's understanding by the consumer. Experiential marketing connects audiences with the authentic nature of the brand through participation in personally relevant, credible and memorable encounters. It focuses on making a personalized connection using emotional involvement and can be seen as a sales building or brand-building tool. Customer centric marketing or brand building is becoming increasingly important within the communication mix of many companies as an effective way of not only reaching the masses, but also imprinting a brand name. Building a Customer Centric brand is the result of continuous innovation and an uncompromising drive for excellence. A leading brand is built over time. It involves consistently meeting and even exceeding the expectations of customers in terms of the difference the company's products/brands make in people's lives. As customer needs change and evolve, a company

needs to adapt. Change can be exciting, it can be painful, it can be risky, but it is something a company must dare to do to remain relevant in the consumer mind space and in the market space. It is about retaining what is good about the company. It requires a degree of humbleness even if the company or the product/brand is the market leader. The challenge for marketers in building a strong brand is ensuring that customers have the right type of experiences with products and services and their accompanying marketing programs so that the desired thoughts, feelings, images, beliefs, perceptions, opinions, and so on become linked to the brand (Aaker, 1995). The knowledge and experience in the minds about the product and service that has been created, decides the interest level and response of the customers towards the marketing campaigns designed meticulously by the marketers. Ultimately, it is the customers' knowledge, learning and experience about product and services their attitude and behavior about a particular brand which decide whether companies are going to lose or harvest the benefits of branding.

Advertising & Promotion

A sales promotion schemes can give sales a welcoming boost, but frequent sales promotion schemes of boosting flagging volumes is probably not always a smart approach, undermining its brand equity. Customer also starts to look at brand from price value perspective rather than emotional standpoint. But sometimes discounting gives customer a rational reason to buy the product, where preference levels are very high (Kompella, 2006). Lot of research has been done to study the influence of sales promotion on brand. Many suggest that it may have negative impact on brand image, perception. But still promotions are used immensely. Sense may be that if customer is not using a product, sales promotion can be used to attract and convince him to use the product. In case he likes the product, he may continue to use the product afterwards, even though the promotion schemes are withdrawn. Thus it leads to consistent brand preference. The situational benefit offered is customers feel to have received a good deal and good amount of

saving when the product is promoted and creates a positive image of the brand. But when the products are purchased looking at promotion, consumers may not be interested, there is no reason to purchase the product after sales promotion is withdrawn. Behavior is a learned science. Customers may wait for next promotion cycle for purchase. They may adjust purchase frequency staring at promotional cycles thus not offering great benefits to the marketer. This affects post-promotion brand preference negatively.

Brand Personality

Brand Personality answers the question "What happens when brand turn into a human being?" or "What happens when the brand comes alive?" Personification, in the literal sense, means making a non-living thing as a living thing and viewing it as a person. The brand is visualized as a person or animal and the qualities of that animal or person are attributed to a brand (Anandam, 2009). David Ogilvy quotes that an image means personality. The personality of a product is a amalgam of many things - its name, packaging, price the style of its advertising and above all the nature of the product itself (Ogilvy, 1983). Aaker states three models to explain the value delivered through brand personality. The three models are self-expression model, relationship basis model and functional benefits representation. (Aaker, 1995) The difference between self-concept and brand personality is narrow. J.L. Aker has interpreted that brand personality dimensions affected different type of people in different type of consumption setting (Aaker, 1999). Brand personality is that aspect of "totality" which brings up in the consumer's mind its emotional overtones and symbolisms - its characterization (Sengupta, 2005).

Brand Attributes

Brand attributes are manufacturer's views of the brand (Sengupta, 2005). When claims of the manufacturer i.e. brand attributes match, leads better positioning of the product.

Self-congruence

The self-concept or self-image is a blend made up of person's basic physical and emotional characteristics; of the image of "real-self and

“ideal self“. The brands are preferred when self-congruency exists. The customer would:

1. Buy the product consistent with self-image.
2. Avoid products inconsistent with self-image
3. Trade up to the product that enhance self-image.

The heart of buying activity is the urge to match self-image and image of the preferred product.

Celebrity Endorsements

For successful use of celebrities while promoting brands there exist certain criteria viz.: Match-up between celebrity image and brand image, Fame or popularity, Trustworthiness, Expertise, physical attractiveness. Controversy risk, prior endorsements, etc. are held important by advertisers.

Country of origin

It is the perception among people of the society or customers about the country or region the product or brand belongs to. This is extrinsic cue for the consumer as consumer may relate quality of the specific product with the country of origin. Customer may form association with brand just like brand name depending on the perception of country of origin. Thakor and

Kohli (2003) state that less concern should be given to the place where brands manufacture their products, and more to the place where people perceive the brand's country of origin to be. Country of origin is known to lead to associations in the minds of consumers (Aaker, 1991).

Conclusion

Brand convergence can be defined as reduction in the difference of consumer product selection within a specified population resulting into a growing similarity of preferences. After the article published by Levitt in 1983 on globalization and standardization, brand convergence has assumed importance among marketing researchers. Brand convergence is a dynamic concept and is influence by a variety of factors. These include brand image, price perception, brand experience, sales promotion, country of origin and others. In addition to brand related factors brand convergence is also affected by consumer related factors like culture, demography and others. These two broad set of factors, brand related and consumer related, are not altogether independent and influence each other to some extent. Marketers should carefully take stock of all these factors to understand the process of brand convergence.

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