

Branding Strategy in Fact Segment Global and Indian Perspective

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Abstract: *In a global economy subject to changing dynamics and ever increasing competition, the role of brands has never been greater. They serve as a route map for purchasing behaviour and when managed well, are able to accrue significant value to their owners. The value to businesses of owning strong brands is widely acknowledged. Therefore brands that can keep their promise are able to build loyal consumers who become faithful buyers over a long period time. Thus brands with their ability to generate income, are productive assets and hence the importance of brands in the business world cannot be denied. Brands can generate high quality earnings which have an impact on the overall performance of the company and thus influence the shareholder value.*

Keywords: *Brand extension, Emerging markets FMCG sector, purchasing power.*

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I. Introduction

Well established and strong brands drive better financial performance of the business. The consumer driven FMCG segment generally does business by building strong brands. Though intangible in nature, brands can have substantial impact on the financial success of the company. The database, validated through thousands of studies, worldwide is used to estimate brand valuations, and each year a list of the Top 100 global brands is published shows that prior to the financial crisis in mid – 2008, if an investor had invested in the S&P Investor would have gained by 3%. There are several criteria for inclusion in Interbrand's annual Best Global brands report. The brand must be truly global and in measurable terms this requires that (i) At least 30 percent of revenues must come from outside the brand's home region.

Consumers in these emerging and developing economics provide. In the future, the growth in the world's population will be primarily in these developing markets, and it is expected that the middle class population will also grow significantly in these developing markets. This offers tremendous opportunities to the manufacturers of FMCG products and global brands are taking advantage of this vast market opportunity to enter these markets with a variety of branded products and services.

China is also the most promising among the Asian Countries with a huge potential market for packaged Food and beverages. Emerging markets are the key drivers of growth for most of the established global brands. Local brands are quite strong especially in the Food and beverages segment. In Brazil about 70% of the biggest Food brands are local. Billionaire brands are not always global brands, in fact there are many local Asian brands that are reaching more than a billion local consumers such as Sedaap in Indonesia and Master kong in china, both of whom have a huge presence in the instant noodle market in these countries.

FMCG brands – Indian Scenario

In India FMCG brand extensions are five times more successful than launching a new Product (Nielsen study 2012). This study includes top brands in 46 FMCG categories and 82 brand extensions in Food and non-Food products and reveals that brand extensions can increase sales by up to 38% and also help increase the parent brand's sales by almost – 30% Arun Chogle, client business partner, Nielsen India said "Innovations are driving FMCG growth in India. He also added that Brand extensions or stretching your existing brand, increase your chances of innovation success. Not only do brand extensions leverage the equity of the parent brand, but they also lead to Faster adoption and deliver higher marketing efficiency "(Nielsen Innovation Series – Innovation powered by Brand stretching – Factors for success. In A stretch strategy, Arun chogley 2013). The FMCG Industry is expected to grow at a base rate of at least 12% annually to become an INR 4000 billion industry by 2020.

Indian FMCG sector and Brand extension strategy

With a population of more than one billion, India is one of the largest economics in the world in terms of purchasing power and increasing consumer spending only next to china. FMCG sector is the Fourth largest

sector in India, with an estimated market size of around Rs.2000 billion. In the last five years, annual growth accelerated at a compound rate of 17.3%.

II. Conclusion

The study is aimed at analyzing the branding strategy in FMCG segment – Global and Indian Perspective. In this study the researcher has presented the Brand value Region wise standing of Brands, Emerging markets, FMCG Brands – Indian Scenario & Indian FMCG sector and Brand extension strategy.

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