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MANAGING BRANDS IN DISTRESSED MARKETS: THE NIGERIAN PARADIGM

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ABSTRACT

The imperative of diligent management as a recipe for the corporate survival and prosperity of brands cannot be over emphasized, given that brand is a critical building block of customer relationship and the last bastion for differentiating between products in the 21st century. The term brand now suggests the values and promises that a consumer may perceive and buy into while branding is a set of marketing and communication methods that help to distinguish a company from competitors and create a lasting impression in the minds of customers. Nigeria's precarious economic situation places greater demands and tremendous pressure on brand managers to grow their brands and also deliver returns on investment. This is understandable since the key marketing objectives of many organizations is to create customers and generate more sales for their brands/products. This paper discusses how best managers can brand to achieve competitive advantage in Nigeria.

Keywords: **Brand, managers, marketing, economic recession.**

INTRODUCTION

A brand is a name, term, design, symbol, or feature that distinguishes one product from another. The key components that form a brand's tool box include a brand's identity, brand communication such as logos and trademarks, brand awareness, brand loyalty, and various branding management strategies [1]. A corporation that exhibits a strong brand culture is dedicated on producing outputs such as customer satisfaction, reduced price sensitivity and customer loyalty [2]. A brand is in essence a promise to its customers that they can expect long-term security, a competitive frame of reference and consistent delivery of functional as well as emotional benefits [3]. A corporation reaches a high level of brand equity when a customer is familiar with its brand or favours it incomparably to its competitors. [1]Many companies are beginning to understand that there is often little to differentiate between products in the 21st century. Thus, branding remains the last bastion for differentiation.

According to [3], a brand is a perception resulting from experiences with and information about a company or a line of product. This means that a brand is the image, associations and value ascribed to a product or service by customers. [4] also, agrees that a brand deals with how a company or product is perceived by its customers or target audience. Invariably, a brand is a promise to the customer and tells them what to expect from the product/services. It differentiates a company's offering from other competitors [5].

A brand therefore embodies the values, vision, and personality of the product. It extends far beyond the product's Logo or name (identity) and includes the marketing mix, the communication mix from products to customer service, packaging and advertising. It is the total experience of the customer including what he or she sees and feels about a product, service or an organization.

Undoubtedly, Nigeria and her citizens are currently facing difficult times. Specifically, recent events in the economic space of the nation clearly show ominous signs of rapid

progress from economic recession to depression. [1] succinctly, captures the nation's current predicament stating that Nigeria was suffering from "malignant metabolic economic syndrome complicated by inflation, high interest rates, unemployment, and weak infrastructure as a result of the price of oil."

The empirical data from the National Bureau of statistics (NBS) released in August 2016 further confirms the precarious state of the Nigerian economy. Specifically, the Report shows that the country's Gross Domestic Product (GDP) (i.e. a measure of the country's overall economic activity) had declined by 2.06% in the Second Quarter of 2016 following a decline of 0.36% in the First Quarter of 2016. The two consecutive Quarters of negative Gross Domestic Product (GDP) growth rates led to the official declaration of Nigeria's economy as being under recession for the first time in two decades.

Other micro economic indicators rolled out by National Bureau of Statistics (NBS) were equally frightening. The data clearly indicated that the decline in economic growth rates has been compounded by galloping inflation, unemployment rate of 171%, under employment of 31% and rising interest rates with treasury bills reaching over 20%. Clearly, beyond the scary statistics, the rude reality is frightening rising poverty, job losses, rapid depletion of discretionary income of households, budget cuts, etc. The ugly consequence of the above narrative is high mortality rate of brands/products and enterprises. These challenges create conditions that pose tremendous pressure on brand managers to grow their brands and also deliver returns on investment. This is understandable since the key marketing objectives of many organizations is to create customers and generate more sales for their brands/products.

Interestingly this is a complex function which involves a series of interactions and engagements between customers and a company. Invariably, as [2] rightly notes, the brand is the nexus between customers and the company. This means that the brand is a critical building block of customer relationship. Thus, the imperative of its diligent management as

a recipe for corporate survival and prosperity of brands cannot be overemphasized. This is because effective brand management begets a major edge in a competitive market. The focus of this study is to examine what branding means exactly and how best managers can brand to achieve competitive advantage.

BRAND PARAMETERS

Brands as power base of organizations have attributes or parameters that need careful management. These attributes include the followings:

Brand Equity

Brand equity as used in the marketing industry describes the value of having a well-known brand name, based on the idea that the owner of a well-known brand name can generate more money from products with that brand name than from products with a less well known name, as consumers believe that a product with a well-known name is better than products with less well-known names [5].

Brand equity refers to the value of a brand. Brand equity has been studied from two different perspectives: cognitive psychology and information economics. According to cognitive psychology, brand equity lies in consumer's awareness of brand features and associations, which drive attribute perceptions. According to information economics, a strong brand name works as a credible signal of product quality for imperfectly informed buyers and generates price premiums as a form of return to branding investments. It has been empirically demonstrated that brand equity plays an important role in the determination of price structure and in particular, firms are able to charge price premiums that derive from brand equity after controlling for observed product differentiation [6].

Some marketing researchers have concluded that brands are one of the most valuable assets of a company [7]. Brand equity is one of the factors which can increase the financial value of a brand to the brand owner [6]. Elements that can be included in the valuation of

brand equity include: changing market share, profit margins, consumer recognition of logos and other visual elements, brand language associations made by consumers, consumers' perceptions of quality and other relevant brand values.

Consumers' knowledge about a brand also governs how manufacturers and advertisers market the brand [1, 2, 3]. Brand equity is created through strategic investments in communication channels and market education and appreciates through economic growth in profit margins, market share, prestige value, and critical associations. Generally, these strategic investments appreciate over time to deliver a return on investment. This is directly related to marketing ROI. Brand equity can also appreciate without strategic direction.

While most brand equity research has taken place in consumer markets, the concept of brand equity is also important for understanding competitive dynamics and price structures of business-to-business markets. In industrial markets competition is often based on differences in product performance. It has been suggested however that firms may charge premiums that cannot be solely explained in terms of technological superiority and performance-related advantages. Such price premiums reflect the brand equity of reputable manufacturers [6].

Brand equity is strategically crucial, but famously difficult to quantify. Many experts have developed tools to analyze this asset, but there is no agreed way to measure it. As one of the serial challenges that marketing professionals and academics find with the concept of brand equity, disconnects between quantitative and qualitative equity values is difficult to reconcile. Quantitative brand equity includes numerical values such as profit margins and market share, but fails to capture qualitative elements such as prestige and associations of interest. Overall, most marketing practitioners take a more qualitative approach to brand equity because of this challenge. In a survey of nearly 200 senior marketing managers, only 26 percent responded that they found the "brand equity" metric very useful [6].

The purpose of brand equity metrics is to measure the value of a brand. A brand encompasses the name, logo, image, and perceptions that identify a product, service, or provider in the minds of customers. It takes shape in advertising, packaging and other marketing communications and becomes a focus of the relationship with consumers. In time, a brand comes to embody a promise about the goods. It identifies a promise about quality, performance, or other dimensions of value, which can influence consumers' choices among competing products. When consumers trust a brand and find it relevant, they may select the offerings associated with that brand over those of competitors, even at a premium price. When a brand's promise extends beyond a particular product, its owner may leverage it to enter new markets. For all these reasons, a brand can hold tremendous value, which is known as brand equity [2]. Brand Equity is best managed with the development of Brand Equity goals, which are then used to track progress and performance. This comprises the brand name, symbols, jingles, colours, associations, unique smells and reputation. Other components of brand equity are brand awareness, brand preferences and brand loyalty. Brand equity deals with the total awareness and perceived value of the brand in the minds of the customers. Generally, when these components are poorly managed, it breeds negative brand quality. It is instructive that distressed markets are usually characterized by extra sensitivity of customers to the marketing mix particularly product, price, place and promotion variables [5].

Thus, for brand equity to advance the marketing objectives of the organization, it is crucial that every aspect of the organization is in synergy and communicates harmoniously. This is because the reality of economic recession compels customers to be more discerning, quality conscious and price sensitive. Thus, whether as individual or organizational buyers, their buying behavior is heavily influenced by consideration of quality and cost of acquiring the brands. At the minimum, customers want products that meet their specification. Consequently, the challenge of brand management in this situation is that

brands not only do what consumers/customers want them to do but do it well. It is therefore important for brands that desire enduring and sustainable loyalty from their customers not only to offer maximum quality but also effectively communicate their quality additions to make meaningful impact on their customers. Towards this end, communication campaigns must emphasize not just the brand features but position the brands as solutions to customers' needs/problems.

Similarly, in order to build long lasting customers' loyalty, brand managers should go an extra mile to even help customers use what they buy as part of value additions. Brand managers could arrange for special trainings for employees of the organizational buyers on how to use their brands at no cost and also establish toll free lines to address customers' inquiries, complaints and questions.

On the whole, the management of brand equity should be predicated on a business model that recognizes quality as all-encompassing including responsiveness when a customer is confronted with problems pertaining to brand usage. The precursor to the above model is regular interface and engagements with customers to ascertain what they want or expect from their brands to create a synergy that breeds symbiotic relationship between brand management and the market.

Brand Essence

This attribute of the brand deals with the mission statement and guides its management. It is the soul and spiritual centre predicated on the brand's core values. In a distressed market, internet harmony, co-ordination and unified vision amongst team members are necessary to drive the team to desired results. Thus, it is crucial that the brand essence is 100% internalized by both management and operatives and also motivates every activity and decision making in the chain of brand management [3].

Brand Experience

This refers to the feeling or experience of customers when actually consuming the product or service. It includes the critical touch points of the brand or service such as waiting periods in hospitals, banks, etc. It pertains to the actual moments of contacts between the customer and the brand which could be positive or negative. It is also called customer experience centers and is the most defining moments of brand image as it is the point where opinions and perceptions are formed [7].

It is therefore important that the actions and activities of gatekeepers such as the gatemen, receptionists, secretaries, etc. as brand ambassadors and brand signposts drive positive experience and favourable perception and image of the organization. Similarly, the architecture of the organization such as signboards, buildings, internal decorations, paintings, etc. must reinforce and communicate the positive narrative of the brand.

Brand experiences arise in a wide variety of settings when consumers search for, shop for, and consume brands. Specifically, brand experience is conceptualized as sensations, feelings, cognitions, and behavioral responses evoked by brand-related stimuli. Such stimuli appear as part of a brand's design and identity, packaging, communications, and environments.

Brand Identity

This deals with the visual impression of a brand. It is the visual narrative of a brand and refers to the Logo, colours and graphics. It is instructive that in a distressed market, brands according to [5] face three major relevance threats namely: (i) Fewer customers buying the brands offer (ii) Emerging reasons not to buy (iii) Loss of energy. Detecting and responding effectively to these challenges require creating brands with synergy and clarity.

It is therefore important that brand managers that desire to succeed in distressed markets ensure clear brands identify with all the visual narrative reinforcing and complimenting each other. This is necessary to help customers to remember and recognize a brand. The components of the brand: name, logo, tone, tagline, and typeface are created by the business to reflect the value the company is trying to bring to the market and to appeal to its customers.

Brand Positioning

This is a function of perception and centers on issues or benefits that are important to customers. Brands positioning simply refers to how a brand is seen or perceived by a customer [4]. In order for brands to be optimally positioned in the minds of customers, it is important that their managers and promoters ask and answer the following questions:

i) Will it drive the buying behavior of customers?

ii) Is the positioning unique?

iii) Can it be sustained?

iv) Is it deliverable?

Undoubtedly, consumer engagement and loyalty of a brand is the ultimate reward of diligent management. This is particularly relevant in a distressed market where extra efforts and ingenuity are required to create competitive advantage.

EFFECTIVE BRANDING TECHNIQUES IN DISTRESSED MARKETS

The ravaging distress in Nigerian markets requires "Outside the Box" techniques to successfully build brands as enduring instruments of customer relationship. Consequently, these creative strategies must seek to differentiate the organization's offerings from competing products. In order to achieve this, the following strategies are recommended.

Define your Brand

This requires creating a checklist and also establishing benchmarks for the brand. It is important that customers know what your brand stands for and what the brand values are. For example:

i) Is your brand the innovative one in the industry?

ii) Is your brand high cost, high quality one or low cost, high quality option?

Clarity on such values is important because the brands cannot be everything to all the customers. Thus, the Logo, website, packaging and promotional materials should harmoniously communicate one unified and central brand message.

Differentiate and Position your Brands

This involves creating unique advantage in the minds of customers using attractive colours, Logos and value propositions. It is important to position your brands in such a way that the consumer appreciates the brand as having greater/higher value than competing ones. This effort is akin to a trajectory of business discovery – difficult, resource consuming and involves extensive researching of customers' needs, habit and desires. It is a holistic undertaking that involves getting a great Logo and placing it everywhere, getting every staff to internalize the brand message and integrating the brand to every aspect of the business.

Build and Expose your Brand

Building an enduring and powerful brand is not a one off, emergency measure; it takes time and consistency. Thus, it is important to reinforce brand values and skill and also take new roles and assignments that will give the brand more exposure. The brand communication strategy must emphasize how, what, where, when and to whom the message is targeted. This means that where, how, when and what you communicate are important components

of brand building strategy. Similarly, the distribution channels, visual and verbal communications must all add value to brand building and exposure. For example, promotional channels such as blogs, forums, twitter, Facebook, etc. must synergize and complement each other.

Personalize the Brand

It is important to give a brand a strong identity that consumers will proudly identify and associate with. The technique involves engaging consumers in the brand building efforts based on their needs and preference. It also thrives on the use of emotional appeals that seek to elicit attachments of the consumers to the brand's ambassadors or advertisement models.

Review the Brand

Brands pass through a range of motions during their lifetime. For example, a brand either grows in strength or recedes or remains dormant in the course of time. The dynamics of time, technology, consumer tastes, etc. pose threats and also throw up opportunities. Brands that build sustainable customer loyalty undertake reviews in order to remain relevant and also take advantage of opportunities while remaining true to their original identities.

Preserve Brand Integrity

Brands usually promise their customers quality assurance and after sales services. These promises are presented as warranties and guarantees and constitute important components of brand quality. As [6] rightly states, a warranty is a producer's statement of what it will do to compensate the buyer if the product is defective or does not work properly whereas a Guarantee is a promise to buyers and is predicated on the integrity of brand owners and managers.

Thus, for sustainable customer relationship and loyalty, it is important that Nigerian brand proprietors promise only what they can deliver as a strategy for building confidence and goodwill with customers. Exaggerated promises and falsehoods characteristic of Nigerian brands are actually spoilers and must be avoided at all costs because of their negative consequences on customer loyalty. It is therefore expedient that promises made to customers are faithfully kept to preserve the integrity of the brand and maintain sustainable patronage.

Value Additions

In a distressed economy such as the one ravaging Nigeria, winning brand portfolios should foster growth by enabling new offerings and extending the brand uses into new product classes. This is because customers are more likely to favour brands that have new and additional uses and therefore add value to their needs.

CONCLUSION

Conclusively, managing brands in a distressed market should not be based on ad hoc, quick win and fire brigade approach. It must be based on a focused philosophy that is consistent with the long term objectives of the brand predicated on value additions that drive favourable customers' impression of the brand/company. It is therefore absolutely important that brand managers define, differentiate, present and regularly review what their brands stand for from time to time. This is necessary to respond appropriately and timely to major shocks and upheavals in the market (such as depression) and also leverage on emerging opportunities.

Also, effective brand management particularly in distressed market requires mobilizing the entire organization. Specifically, the workforce must be sufficiently inspired and motivated to support the brand. Job descriptions must reinforce the brand reputation. This is

because, as [4] advised, brands that desire excellent performance in the market must strive first to be embedded into the DNA of the business. Consequently, the primary ambassadors of winning brands are employees followed by partners such as distributors.

With the use of branding techniques listed in this research, branding managers can achieve their targeted aims in Nigerian distressed economy. It is also important that brand managers ensure that in the trajectory to final customers, the brand is never compromised. Also, it is imperative that the visual narrative of the brand is properly and jealously policed and managed to achieve set objectives. This is crucial to avert the warning of [9] that "a lack of consistency between the brand name, the packaging and advertisement is subconsciously recognized by the consumer and leads to a feeling of detachment ultimately resulting in brand switching".

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