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“The brand management into the funeral market: from the launch of a product to the consumer's mind”

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Introduction

Branding legend Walter Landor once said: "A brand is a promise. By identifying and authenticating a product or service, it delivers a pledge of satisfaction and quality".

This quote is intended to emphasize the importance that the brand assumes in consumer choices and the very strong bond that is created between those who produce and those who buy.

Given this assumption, the present work aims to investigate this relationship when it comes to making the choice of a product in the particular funeral market, in which often the customer's choice is not made on the basis of the knowledge of the brand which, however, is of fundamental importance especially in the field of product quality and customization.

In the three chapters of which the thesis is composed, the study of the branding process and consumer behaviour will be deepened, in order to understand how in a sector that could be defined as "delicate" it is possible to transmit the quality values of the brand, only to intermediaries of funeral products, but also and directly to final consumers.

In the first chapter, once the concept of brand has been introduced and the added value provided by strong brand identity, brand image, brand reputation has been emphasized, we will continue by describing what, in practice, the steps of "building a brand" are.

In fact, the brand building process will be studied in depth, that is the process through which all the values and characteristics that a brand must possess in order to best express its personality are identified, as developing a new brand means going far beyond the simple choice of the name to be attributed to it or the mere development of an advertising campaign. The focus will be on brand management and the strategic importance it has assumed within the world of marketing.

The second chapter aims to investigate the relationship between the brand and the consumer, deepening the literature that has concentrated on investigations aimed at analysing the antecedents, the consequences, therefore, the influences that this phenomenon can exert on the consumer and on companies. In this context, and especially with respect to the sector considered, emotions, whether dictated by hatred or love or

indifference, that the individual feels when he comes into contact with a certain product, play a decisive role.

In the third chapter we will deal with the case study, in which the marketing in the funeral market will be specifically analyzed, for which a premise is necessary before proceeding with the description of what has been developed in the chapter, and it is that the funeral sector suffers from some important barriers between the producer and the final consumer.

One of these concerns, especially in a reality like the Italian one, the necessary intermediation of those who offer funeral services. From this point of view, those involved in production are often bound to have to promote their products only to the latter, without being able to create any engagement with the end customer. In fact, if in other countries, such as America, there is the possibility of purchasing the product and arranging for it to be used regardless of who offers the service, this possibility is not widespread in our country and is not even easily practicable.

In addition, the further barrier that the market suffers is undoubtedly linked to the marketing of funeral products which suffers the prejudice of a culture that often treats the subject as a taboo.

In the last chapter, therefore, a more practical approach will be taken to what has previously been studied and elaborated by dealing with a strategic planning for the launch of a new product linked to the company being studied.

In particular, in the light of a strongly growing trend in the field of cremation, it was interesting to imagine developing this work through the branding of the urn, as a product capable of breaking down these barriers, reaching the point of being advertised to the end customer and therefore chosen directly by the latter

CHAPTER 1: THE BRAND

1.1 The branding process: Definition and relevance of the analysis

The American Marketing Association (AMA) defines a brand as “a name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers¹”.

The brands have changed the way we shop and also influence the way we lead our lives; the modern world is a jazzy and glitzy playground for brands and from people to nations everyone aspires to be a brand. Branding is the process of creating distinctive and long-lasting perceptions in the minds of consumers, brand is a persistent, unique business identity mixed up with the personality of the consumers, their interest, quality of the product and its origin. It attempts to make people loyal to the product of the firm.

From the buyer's point of view the brand concept helps building a mental structure which is used to elaborate information into the decision-making process; and for the Company, a brand represents an invisible and intangible asset, because having a well-known brand usually means a high level of reputation and a better perception of our products.

A brand raises a number of expectations in the minds of the individuals in relation with particular goods or service. Brand creation is more than just giving a name to a product. A brand is essentially a promise that the company makes to customers. It is a promise towards satisfaction of their needs and assuring world-class product and service quality. Three questions “who”, “what” and “why”, are very crucial for the successful branding of any product. Marketers should introduce who the product is, what does it do, and why should consumers know about it. Driving the attention of someone sailing in a sea of products is, consequently, a powerful tool; in fact, the more attention a product receives, the more likely it is to be chosen.

But how do we measure how much attention a product receives? And how can we make a product being more considered by consumers?

¹ KELLER K.L, *Papers Understanding brands, branding and brand equity*, 2003, Henry Stewart Publications

There are a lot of tools for measuring this: first of all, through the use of surveys. Asking questions directly to consumers about the level of attention they pay to brand logos is the most immediate way to obtain some answers, but this method is a bit flawed, since it might not be possible to obtain perfect answers when talking about something so concrete and yet so overlooked as the “level of attention” given to a product. The best method to measure attention is maybe the one utilized in many studies, such as the one drafted by Leighton & Bird, they used an innovative eye-tracking technology to record where the eyes of the subjects linger the most, when they look at the packaging of some products of different types.

Consumers choose products they want not only on the basis of product features and benefits but also on the basis of the name of brand. A brand name helps them to differentiate a product from other similar products in the market. Actually, a brand name resides within the hearts of the customers. It is the sum total of their experiences and perceptions about a product. Branding is referred to as a process of creating a unique name and image for a product in the minds of the consumers through advertisements and other product promotion measures. It aims to establish a significant and differentiated position for the product in the target market that so as to attract and retain customers.

1.2. Brand Process: Why is so important

Simplifying a brand mission presents challenges and opportunities. Today, all companies and organizations can be considered to be in the ‘experience’ business². But too many customer experiences come up short of expectations for many reasons, from underperformance to miscommunication, to confusion, etc., but with each failure, the distance between customer and company grows. Simplicity is about removing barriers and shortening that distance.

When a brand is considered particularly desirable and attractive by a certain group of customers, we call it brand desirability. It develops in the presence of a good value fit – meaning when the values of consumers closely match those of the brand. If a brand can

² MITCHELL C., *Selling the Brand Inside*, 2002, Harvard Business Review.

manage to demonstrate its promise at as many brand touchpoints as possible, it will retain customers for the long term and turn them into fans. The value of a brand rises and falls with its communication. Even strong brands have to communicate their values to be perceived by consumers and sell. Successful brand communication has two clinchers: Enthusiastic customers and satisfied employees. As recently as ten years ago, companies created their own realities, employees and customers define the reality and reputation of a brand name company. They talk to others about their experience with the company and its products around the clock. The essential difference between brand image and brand identity is the perspective: while the brand image describes the subjective perception from the outside, the brand identity is specifically controlled by the brand owner. The brand identity defines how the brand owner wants the brand to be perceived. The better the brand identity matches the externally perceived brand image, the better the specific character and differentiation of the brand in the market. This is why it is crucial for a company to form a unique brand identity that perfectly matches the company itself and the brand.

It provides creative expression and keeps the brand up-to-date. Metaphorically speaking, the brand style decides whether the gentleman wears a tie or not. The brand design determines what colour the tie should be.

Also, brand development is the process of learning to deliver and market performances in a credible, attractive, and differentiating way. This is premised on the fact that peak performances are already being delivered in development, product, sales, logistics, etc., but they are not yet associated with a particular service provider or are not sufficiently appreciated; since its inception, brand management was limited to managing brand portfolio and brand equity.

The fundamental premise, therefore, for a brand is to deliver a product promise. It should not violate its basics. At a basic level, Google is a search engine but the core and the soul of the brand is democracy. The brands are more about building relationships. It is an interrelationship where on a continuous basis feedback is provided and changes are made in the products. In management context, branding is a symbolic representation of information associated with a product or service³. A brand particularly consists of a name, logo, other visible features including color combinations, fonts, images, symbols, etc. A

³ SARKAR C. AND KOTLER P., *Ecosystem Marketing: The Future of Competition*, 2019, The Marketing Journal.

brand raises a number of expectations in the minds of the individuals in relation with particular goods or service.

These individuals may be employees working with the brand, suppliers, vendors and their associates, distributors and lastly consumers. Brand creation is more than just giving a name to a product. A brand is essentially a promise that the company makes to customers. It is a promise towards satisfaction of their needs and assuring world-class product and service quality. Three questions “who”, “what” and “why”, are very crucial for the successful branding of any product. Marketers should introduce who the product is, what does it do, and why should consumers know about it⁴.

1.2.1 Functions of brand related to consumer

- **Identification of Product Sources:** Brands naturally project the identity of the producer and marketers because they reflect the initiator or creator of the product.
- **Assignment of Responsibility to Product-Maker:** The consumers are authorized by the brands to allocate the authority to a specific distributor or producer. Above all, brands have a significant impression to win over the consumers.
- **Risk Reducer:** A buyer may realize several kinds of risks during procuring and utilizing products including physical, financial, functional, social, psychological, risk of time wastage, etc. Brands can help to minimize these risks encountered during product decisions. They can be used as an effective risk management instrument by the companies conducting business, in case these risks have acute consequences in the long-run.
- **Cost Reducer:** The amount of money spent by the consumers on exploring various products is reduced considerably with the help of branding. Brands assist in minimizing these costs at the internal level, i.e., in relation to the expectations of the consumers and at the external level, i.e., in terms of exploring the other available options in the market.

⁴ MARTINEZ A., *Building a brand strategy: Essentials for long-term success*, 2018, at <https://martech.org/building-a-brand-strategy-essentials-for-long-term-success/>

- **Promise, Bond or Deal with Maker of Product:** A brand and a consumer share a relation which can be termed as a kind of “bond’ or ‘commitment.’ Consumers being faithful and dedicated towards a brand have an implied perception about the behaviour of the brand. They expect a certain level of performance, appropriate price of the product and suitable promotion and distribution activities to create significant utilities. Consumers will continue to purchase a particular brand as long as they are satisfied and realize the services and benefits provided by that particular brand.
- **Symbolic Device:** Brand can act as an illustrative mechanism which enables the consumers to present their own personality. Few specific brands indicate different characteristics or values due to their association with particular class or category of people. Consumers by using these brands can convey to the society as a whole or to themselves about the kind or personality they possess or would wish to possess in future.
- **Signal of Quality:** Brands can act as major contributors towards conveying particular product attribute to consumers.

1.2.2 Functions of brand Related to manufacturer

- **Identification of Simplify Handling or Tracing:** Basically, brands carry out the function of recognizing which simplifies the task of handling and tracking down products in an organization. It facilitates inventory management and helps in maintaining accounting records⁵.
- **Means of Legally Protecting Unique Features:** A company receives security in legitimized way because of brands. The exclusive outlook and characteristics are safeguarded by brands. A brand helps a company to keep possession of its Intellectual Property Rights and also offers legal status to a brand owner.
- **Signal of Quality Level to Satisfied Customers:** Regular and satisfied customers are prompted to buy the product one more time because of the brands which communicate about the level of quality maintained by the product. This commitment provides the

⁵ FERRARO J., *Why Brand Marketing Is Important For Manufacturers*, 2020, at <https://blog.thomasnet.com/manufacturing-brand-marketing>

probability and certainty of demand to the company. New entrants or other competitors find it tough to penetrate the market due to the obstructions created by loyalty of customers.

- **Means of Endowing Products with Unique Associations:** A product is graced with exclusive features or associations or reputation due to branding. Thus, it helps in making the product unique.
- **Source of Competitive Advantage:** Branding acts as a source of competitive advantage. Generally, product designs or production/manufacturing techniques may be copied by the competitors. But it is not easy to create the same product experience or product positioning in the minds of consumers, which was developed through the branding efforts.
- **Source of Financial Returns:** The concept to branding may be fruitful in terms of being a potential source of financial returns. Due to this feature, branding largely gets the attention of top management. For example, a major portion of corporate value of a given FMCG company is represented by its intangible assets and goodwill. Rarely, the 10 per cent of the value is represented by tangible assets. Here, branding is responsible for creating around 70 per cent of the intangible assets.

1.3. Brand process: how we build a brand

Brand marketing is focused on boosting and establishing a company's brand. The process would start by identifying your brand and asking yourself questions such as this: **What is our brand statement?**

The ultimate goal of brand marketing is to boost awareness, visibility, and recognition of your brand while creating clearly defined emotional associations between your brand and your consumers. In other words, brand marketing is less about pushing a specific product or promotion and more about telling your story in a way that resonates.

Establishing a brand as rock-solid as those mentioned won't happen unless Marketers stick to several principles:

- **Consistency:** To really hammer home the story of your brand, your marketing efforts need to be consistent – in terms of messaging, voice and visual aesthetics – across all platforms.
- **Emotion:** We aren't just loyal to certain companies or brands because we like their products – often, our buying decisions are tied to our sense of identity and the perceived values of the companies making those products.
- **Delivery:** Trust is an essential element in building a powerful brand, so be sure that your marketing aligns with what you're actually giving your customers. For example, consider Volkswagen, who built up decades of brand equity as a manufacturer of reliable and practical cars before an emissions-cheating scandal badly hurt the company's reputation in 2015. With brand marketing, measurable objectives could include friendly media coverage, attention or endorsements from influencers, or heightened social-media engagement.

1.3.1 Designing the brand identity

Brand Identity is the brand's unique fingerprint that makes it one of a kind. It is the configuration of words, images, ideas and associations that are formed in the consumers mind and that give it an aggregate perception of a brand. Branding is more important today than ever due to the huge amount of advertising, media fragmentation, the commoditization of products, and the seemingly limitless choices we are offered in just about every product category⁶. A brand can be regarded as influential regarding the buyer's decisions, they can create and emotional bond of trust that is not always based on logic or intellectual reasoning.

The new marketplace is made up of new economy brands traded on the Internet and legacy brands from the old economy that are undergoing rapid transformation. Role of branding is more vital than ever, and that the specific work of identity development and management

⁶ O'MALLEY, K., *Marketing & Communication - What and Why?*, 2010, Wartburg College. <http://www.wartburg.edu/marketing/branding.aspx>

has, in fact, become more critical in ensuring that brands in the new marketplace prospective.

Aaker and Joachimsthaler⁷ talk about the traditional branding model, where there is a brand management team responsible for creating and coordinating the brand management program. The brand manager's responsibility was to address short-term financial results for single brands, products and markets. His job description was to coordinate the manufacturing and sales department in order to solve problems about sales and market share. In this perspective the brand manager was not high in the company's hierarchy and the brand was solely a concern of the marketing department. According to David and Dunn⁸ some companies believe that an advertising campaign meant focusing on brand so, instead of having a strategic and visionary approach to it they were rather tactical and reactive towards the brand managing a series of tactics instead of developing a global strategy.

Brand Identity is not involved in bearing on the worth of a brand and its financial assets, it refers to the part of equity that offers benefits that make it more attractive as an object of purchase. It is the result of brand positioning and personality and it can be seen in the product/service performance, in the brand name, its logo and graphic system, the brand's communications, and in all the ways that a brand gets involved with its constituencies. As you can see from the figure below Upshaw⁹ believes brand equity can be divided into two regions: brand valuation and brand identity:

⁷ AAKER, D.A. & JOACHMISTHALER, E., *Brand Leadership*, 2000, London: Free Press

⁸ DAVID, S.M. & DUNN, M., *Bulding the Brand-Driven Business*, 2002, San Francisco: Jossey Bass.

⁹ UPSHAW, L.B., *Building brand identity: a strategy for success in a hostile marketplace*, 1995, New York: John Wiley & Sons Publishers.

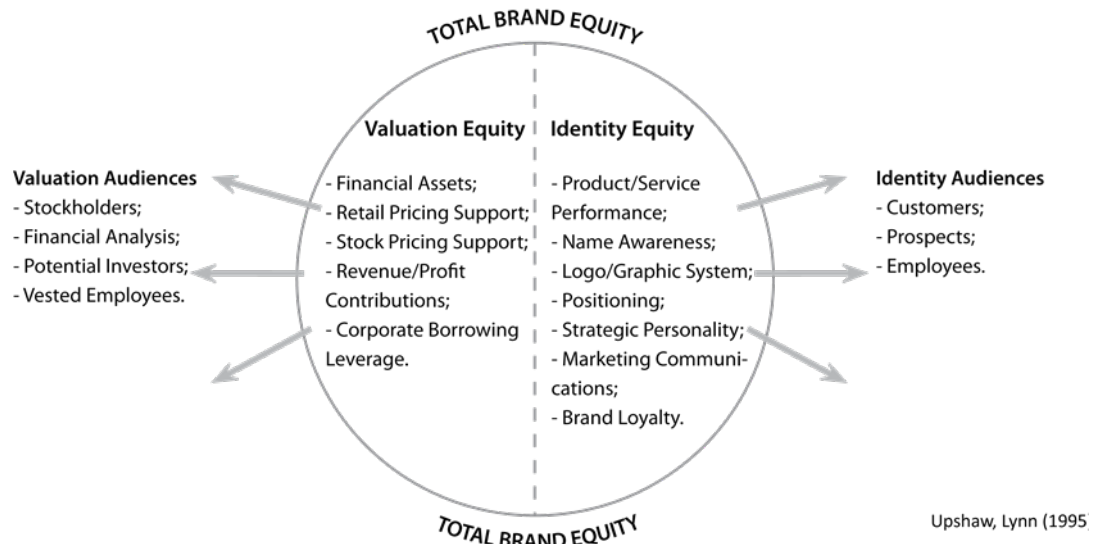


Figure 1. Brand Equity Division

The core of brand identity is brand essence (figure 2) and that's defined by two crucial variables: 1) how a brand is positioned within the minds of customers and prospects; and 2) what kind of living personality the brand projects into the marketplace.

In order to create a successful identity, the marketing program must be driven by optimum positioning and strategic personality.

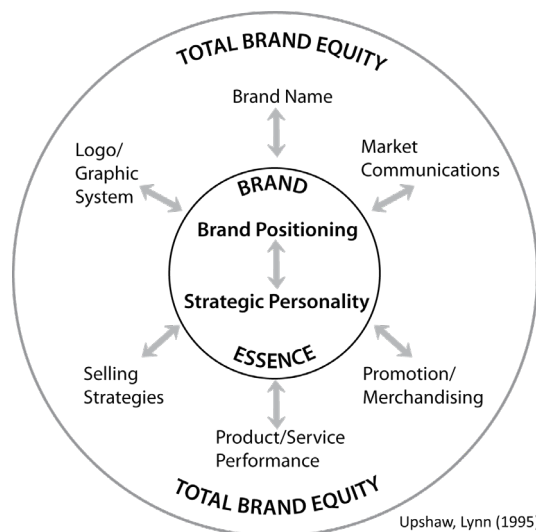


Figure 2. The core of Brand Identity, Upshaw (1995).

Managing Brand Identity involves developing a brand position and an execution program and according to Aaker we have to cope to adapt to a changing environment and at the same time try and be consistent about the messages and symbols we send out. It is really important to create a strong identity, and this has become of great importance. However, creating a solid identity now, does not mean that we stop developing it in the future¹⁰.

1.3.2 Brand guideline, new brand names and design

The brand name¹¹ is regarded as an essential part of the brand and the foundation for marketing communication efforts¹². Brand names not only help identify the product (Friedman, 1985) but also acquire a rich set of symbols and meanings embodied by products. For successfully developed and managed brand names, the associations that consumers make with the brand name creates value, or brand equity, that can be a highly valued asset to the company that owns the brand¹³ a carefully chosen new brand name can lend a measure of inherent and immediate strength to the brand. As these costs continue to increase, companies need to get smarter about branding.

One cost effective way is to create a brand name that is inherently strong.

In their efforts to develop an effective name, marketers inevitably weigh the use of a meaningful versus non-meaningful brand name. A meaningful name is one that conveys relevant information about the product, or an important product attribute, or establishes a connection between the product and the product category.

Marketing practice, as well as theoretical and empirical research, has suggested that meaningful brand names are easier to remember and recall than non-meaningful brand names, and also that meaningful brand names are generally preferred over nonmeaningful brand names¹⁴.

¹⁰ AAKER, D.A. & JOACHMISTHALER, E., *Brand Leadership*, 2000, London: Free Press

¹¹ CHIRANJEEV S. KOHLI, KATRIN R. HARICH, LANCE LEUTHESSE, *Creating brand identity: a study of evaluation of new brandnames*, 2005, *Journal of Business Research* 58, 1506– 1515.

¹² AAKER, D.A. & JOACHMISTHALER, E., *Brand Leadership*, Work cited.

¹³ KELLER, K.L., *Conceptualizing, Measuring, and Managing Customer-Based Brand Equity*, 1993, *Journal of Marketing*, 57, p.1, <http://www.jstor.org/stable/1252054?origin=crossref>; MEYERS, HERBERT M. AND GERSTMAN, R., *Branding @ the Digital Age*, 1994, Palgrave Macmillan.

¹⁴ KOHLI, KLINK C., *Branding consumer goods: insights from theory and practice*, 2001, *The Journal of Consumer Marketing*, 14(3), pp.206–219.

Meaningful names are inherently limited to the products and product categories for which they have meaning, whereas non-meaningful names can potentially be applied, or extended, to any product or product category. Clearly, then, what constitutes a good name will depend on the priority given to the brand naming objectives. If recognition, recall, and positive affect are most important early in the product's life, a meaningful name is likely to be favoured. If flexibility and adaptability are given higher priority, then a non-meaningful name is attractive. In the latter case it may be preferable to accept a longer time horizon to achieve brand recognition and value.

The literature suggests that academics and marketing practitioners look at brand names from very different perspectives. Academic research has typically focused on the relationship between brand name characteristics (such as length, distinctiveness, suggestiveness, commonness, and linguistic features) and factors such as liking, recognition, and recall¹⁵. On the other hand, practitioners are influenced to a great extent by brand name classification that has been developed by the courts. The courts have suggested a hierarchy of five categories: generic, descriptive, suggestive, arbitrary, and coined, in ascending order of their potential for trademark protection¹⁶. Marketing practitioners would prefer to use arbitrary or coined names (that is, non-meaningful names), allowing brand name meaning and brand value to accrue over time, based on consumers' associations with the name.

If a meaningful brand name can provide immediate favourable associations, and advantages on such measures as liking and recall, then this naturally raises the question of how long it takes, if ever, for non-meaningful names to catch up.

Meaningful brand names may be favoured by brand managers with promotional budgets too limited to support and build a brand name over extended periods of time. Not only are meaningful brand names preferred initially, but the halo effect of a meaningful brand name also appears to carry over to the evaluation of product attributes. This could be particularly advantageous in settings, such as supermarket aisles, where the product's ability to grab attention would provide an important

¹⁵VANDEN BERGH T., *The New Community Rules: Marketing on the Social*, 1987, Marketing on the Social Web, http://www.shopsecretary.com/shopsec_account_resources/1/ebooks/TheNewCommunityRules

¹⁶ COHEN D., *Trademark Strategy*, in *Journal of Marketing* Vol. 50, No. 1 Jan. 1986, pp. 61-74

competitive advantage. In contrast, for companies with larger promotional budgets and longer time horizons, non-meaningful names are certainly a viable alternative. Non-meaningful brand names are more flexible than meaningful names, enabling managers to build any desired image for the brand, and importantly, permitting them to change the brand's image over time. Additionally, non-meaningful brands are likely to achieve stronger trademark protection. Furthermore, nonmeaningful brand names lend themselves to product line extension strategies.

1.4 Growth and development potential

“Growth marketing is removing the boundaries of marketing to enable every aspect of the customer experience to focus on attracting more engaged customers”¹⁷.

Growth marketing is concerned with the entire funnel, where the goal is revenue growth not merely through bringing in new customers but also through the activation, retention, referral, and monetization of the customers you already have.

Where traditionally, marketing departments might have been their own separate entity within a corporate structure, Growth Marketers are often more integrated within product development. Following agile development principles, growth marketing is a data-driven process that operates on a cyclical sprint model where performance is constantly tracked, tweaked and optimized. Largely borne out of need – since startups rarely have massive marketing budgets – growth marketing is an evidence-based process that leans heavily on strategy. It's experimental, iterative and – most importantly of all – user-focused, since growth marketing is far more concerned with customer lifetime value and customer retention than simple customer acquisition.

A/B testing, analytics, engagement measurement, and user-testing are all crucial parts of the growth marketing process, as well as creating measurable goals and staying current and agile with campaigns-in-progress. Most of us would agree there are four ways to strategize for growth: increase the share you hold in the markets you are strong in; develop new products for those markets; extend your reach by finding new markets for your current

¹⁷ SIMPSON O., *How to Develop a Growth Mindset*, 2021, <https://growth-division.com/develop-growth-mindset/>

brands; and develop new products that cater to new markets. But while the strategies themselves are well-known, your capacity to expand is of course directly proportional to your capacities to generate demand and to fulfil. It's tempting to pluck a number that's x percentage points above organic growth.

1.5 Seven factors we need to consider in order to navigate a responsible course between stretch and over-reach.

1. Access: will your distribution strategy allow you to grow volumes of either current or new lines to the extent you need to? If reach is finite and static, your ability to physically deliver into market will bottle-neck. What have you done to open up access – and is doing so in keeping with your brand's position in the marketplace?

2. Speed: can you deliver enough product fast enough to meet the demand? At one level, this is about pure fulfilment. At another, it's about making sure that you have paced the introduction of new product and the upgrade of current offerings at just the right speed to avoid simply trying to shovel more and more of the same thing into a market that's tired of what you're offering. How have you timed your innovation/improvement program to coincide with your expansion plans? Too slow – and your brand will lack dynamism. Too fast – and you risk overwhelming consumers with too many choices and cannibalizing your own releases.

3. Support: have you timed and resourced your communications to drive growth at the pace and intensity you require? I think this is one of the significant challenges today – getting enough cut-through for your brand to be heard at the same time as you continue to sustain and refresh the messages to keep consumers' interest. Too many brands think through launch and then plan for maintenance comms. I think that's changing – and increasingly brands need to be planning waterfalled comms that maintain messages but introduce new points of interest over the medium term. At the same time, you need to have a resource 'buffer' in reserve to address any lag. The trick here is to responsibly balance maintenance of your growth ranges, introduction of new developments and offers, the

planned withdrawal of communications support for dying lines and the responsive comms needed to plug holes or fades.

4. Interaction: how are you ensuring that your social feeds are more than just background? How are you striking the right balance between the short-term exchanges that Twitter and Facebook are so good for to build relationships and the longer-term commitment of reinforcing relevance? What metrics have you put in place to ensure that your social conversation is fuelling interest across all your products and planned releases, without reducing your social channels to promotional mouth-pieces? At the other extreme, is your brand just chatting for the sake of it? That question is made all the more pointed by speculation that organic reach on platforms such as Facebook is heading for zero. In which case, you may find yourself increasingly allocating resources to interactions that speak to no-one and add nothing to your ability to grow.

5. Volume: obvious but easily overlooked. Once the orders come in, will you be able to keep up with demand? The temptation is always to look to ship more to bigger markets but, to Brad's point earlier, not everyone should be looking at scale as a driver for growth. Sometimes, a brand should be aiming to be precious rather than popular – particularly given the logistics, expense and delayed returns of getting into some of those markets and continuing to supply at the levels required.

Everyone talks about return on equity and return on capital. Perhaps marketers need to focus as much energy on the heavily-related topic of return on expansion. “What do we get for going there in greater quantities? And what do we gain if we don't?”

6. Understanding: there's a fascinating irony in the fact that as markets get bigger, the demands of consumers to be treated specifically and personally grow louder. Those demands come with some potentially hefty investments. The key questions for brands with ambitious growth plans are: Can you grow your understanding of your market(s) as quickly if not more quickly than you can the consumer base itself? And then, having grown it, can you keep feeding that enlarged community with the levels of service and experience that they now expect?

In a great piece on the travel industry, the authors offered advice that is relevant to any number of brands keen to expand their footprint: Focus on customers, not channels; Win

in the era of ‘big data’; Unlock the power of partnerships (“Succeeding here may be more about identifying companies with similar interests and synergistic capabilities than about throwing new money and new technology after problems rooted in structural issues of coordination.”); and Master the entire customer experience.

7. Responsibility: What compromises will you need to make ethically to achieve the growth you’re targeting? Does it depend on you sourcing from lower-wage countries, for example, compromising environmental standards or adding ingredients to your products that are considered harmful or unhealthy? Does it come at the expense of diversity goals – or other responsibility targets? Interesting to see Puma putting safeguards in place across its supplier network to ensure that they pass muster. Not doing so risks your brand being labelled as one that pursues its commercial plans at too high a social cost.

Brands remain addicted to growth. (In time, my view is that we will have to question that –because the environmental consequences debate will become increasingly mainstream.)

¹⁸But in the meantime, growth continues to be the metric that so many look to for proof that marketers are doing their job well and that businesses are strong. In the 12 months ahead, what level of growth are you going to commit to that enables your brand to grow at a realistic pace, retains the customers you have, introduces new advocates to your brand community and continues to safeguard and enhance your brand’s immediate and long-term reputation?

1.6 Critical aspects of branding: resistance to the innovation

Small businesses often feel that they do not have sufficient budget and knowledge to develop a competitive and effective brand and product strategy. Because of this, they may choose to forgo any brand planning and strategy at all.

Proper branding can result in higher sales of not only one product, but on other products associated with that brand. For example, if a customer loves Nutella biscuit and trusts the brand, he or she is more likely to try other products offered by the company such as chocolate chip cookies.

¹⁸ DI SOMMA M., *7 Key Considerations For Brand Expansion*, 2018, at brandingstrategyinsider.com

Brand is the personality that identifies a product, service or company that is name, term, sign, symbol, or design, or combination of them and how it relates to key constituencies such as customers, staff, partners, investors etc.

Careful brand management seeks to make the product or services relevant to the target audience. Brands should be seen as more than the difference between the actual cost of a product and its selling price; a brand which is widely known in the marketplace acquires brand recognition. When brand recognition builds up to a point where a brand enjoys positive sentiment in the marketplace, it is said to have achieved brand franchise.

Brand recognition is most successful when people can state a brand without being explicitly exposed to the company's name, but rather through visual signifiers such as logos, slogans, and colours.

Consumers may look on branding as an aspect of products or services, as it often serves to denote a certain attractive quality or characteristic. From the perspective of brand owners, branded products or services also command higher prices. Where two products resemble each other, but one of the products has no associated branding, such as a generic, store-branded product, people may often select the more expensive branded product on the basis of the quality of the brand or the reputation of the brand owner.

1.6.1 Major limitations of brands, limits to the innovation and characteristics of innovation resistance

Limitations associated with brand are as follows:

1. Cost: If anyone wishes to create and maintain a strong brand presence, it can involve a lot of design and marketing costs. A strong brand is memorable, but people still need to be exposed to it, this often requires a lot of advertising over a long period of time, which can be very costly. There are also costs involved with the creating of a brand image or logo (paying for a designer, printing new letterheads/business cards, etc.).

2. Higher Prices: Usually, customers have to pay high prices for branded products compared to unbranded products. The higher price is explained by the additional

production costs and marketing expenditures incurred by the supplier in developing and supporting the brand.

3. Low Profit Margin: Branded goods give low profit margin to the dealers. When the customers are highly loyal to a brand, the firm enjoys a supremacy over the dealers and they will be forced to deal at a profit margin decided by the firm.

4. Brand Monopoly: Branding may lead to brand monopoly which is not a desirable situation in a market. A monopoly brand can exercise control over the demand for the products. It can also charge undue price for the product.

5. Impersonal: One of the main problems with many branded businesses is that they lose their personal image. The ability to deal on a personal basis with customers is one of the biggest advantages small business have, and poorly designed branding could give customers the impression that the business is losing its personal touch.

Consumers in industrialized nations are pro-innovation. They believe that technology, if properly harnessed, can benefit them. Why then do they resist some innovative products or services? Potential changes from a satisfactory status quo (or current habit) can cause resistance to the innovation. The higher the discontinuity of an innovation, the higher the resistance is likely to be. Second, an innovation may conflict with the consumers' prior belief structure.

There is evidence in the marketing literature to illustrate the existence of innovation resistance. First, innovation resistance affects the timing of adoption. Adopters of innovations have been classified into five categories: Innovators, Early Adopters, Early Majority, Late Majority, and Laggards.

Each of these groups has a different level of resistance to the innovation, and this variation in level affects the timing of adoption. For example, Innovators exhibit no resistance to the innovation and are the first to adopt. The Laggards, on the other hand, have such a high level of resistance that they do not adopt the product. For the other adopter categories, the resistance to the innovation breaks down over time.

Second, innovation resistance varies in degree. Resistance exists on a continuum, increasing from passive resistance or inertia to active resistance.

Consumers who are aware of an innovation may behave in one of the following ways: They may feel disinclined to adopt the innovation for example, few men adopted cosmetics when they were first introduced exclusively for the male segment.

For a variety of cultural reasons men were not sufficiently motivated to change their current behaviour.

Consumers may feel that the innovation is too risky and postpone the adoption decision (active resistance) – for example, microwave ovens met with high market resistance initially since consumers feared that the radiation might cause physical risk.

Consumers may be convinced that the innovation is unsuitable and decide to launch an attack against its adoption (very active resistance) – for example, when diesel cars were first introduced, the early adopters had to cope with high diesel costs and radically new maintenance problems; these dissatisfied consumers raised such a hue and cry about their problems that they diffused resistance to the innovation through the rest of the market.

Third, innovation resistance exists across product classes. What matters is not the product class to which the innovation belongs, but the two basic causes of resistance: the degree of change or discontinuity brought about by the innovation, and/or the extent to which it conflicts with the consumer's belief structure. A highly discontinuous innovation, such as the first computer, creates a great degree of change for the consumer and is likely to encounter high resistance. Innovations based on new technologies usually create high discontinuity. On the other hand, a continuous innovation, such as the push-button phone, which improved on the rotary dial phone, creates hardly any change for the consumer. Yet, even such an innovation can meet with resistance for the second reason: conflict with belief structure. While the market has readily accepted push-button phones made in the United States, not all consumers have switched to the cheaper imitations made in Hong Kong, because of the lower quality that they perceive in the latter.

The higher the discontinuity of an innovation, the higher the resistance is likely to be.

Innovation resistance thus seems to be a normal, instinctive response of consumers. What we need, therefore, is to understand the process.

Customers face several barriers that paralyze their desire to adopt innovations, and these barriers may be grouped into two categories: functional barriers and psychological barriers.

The functional barriers relate to three areas: product usage patterns, product value, and

risks associated with product usage¹⁹. These barriers are more likely to arise if consumers perceive significant changes from adopting the innovation. The psychological barriers arise from two factors: traditions and norms of the customers, and perceived product image. These barriers are more often created through conflict with customers' prior beliefs.

1.6.2 Psychological and functional barriers

Functional Barriers

Perhaps the most common reason for customer resistance to an innovation is that it is not compatible with existing workflows, practices, or habits. Innovations that require changes in customers' routine require a relatively long development process before gaining customer acceptance.

For example, one innovation that has met with resistance from some potential users is carpooling, since it requires a significant change in their daily routine. Car-poolers have to synchronize their arrival and departure times and can no longer enjoy the freedom of a flexible office schedule. They have to compromise on several things during the journey as well: the type of music they listen to is no longer an individual choice; the privilege of silence may have to be forgone for the sake of polite conversation; and smokers may have to grit their teeth and bravely endure the urge for nicotine. Carpooling requires compatibility with fellow car-poolers' punctuality, manners, and even personal grooming habits! Hence, the resistance to the innovation.

Tofu, an inexpensive protein substitute, is another product facing usage barriers from American consumers. Tofu is bland in taste, but other ingredients can be blended with it to add flavor and texture. However, the cooking skills required for using this product are becoming obsolete with the changing lifestyles. Few people have the time or patience to hunt for recipes of tofu dishes and then to learn the different ways of preparing them. Unless the usage of the product is made easier, it will continue to face resistance. Tofu

¹⁹ RAM S., JAGDISH N. SHETH, *Consumer Resistance to Innovations: The Marketing Problem and its Solutions*, 1989, Journal of Consumer Marketing.

manufacturers have partially succeeded in dealing with this barrier by processing and packaging the product in the form of ready-to-eat frozen dessert.

Value Barrier

The second functional barrier to an innovation is based on the value of the innovation. Unless an innovation offers a strong performance-to-price value compared with product substitutes, there is no incentive for customers to change.

An Innovation that has avoided the value barrier (by not charging for usage) is the Automatic Teller Machine (ATM). The ATM is restricted in the types of transactions that it can do for a customer. It cannot open a new account, issue drafts, provide loans, or perform any of a number of other services that are provided routinely at a bank counter. The ATM does provide cash at 24-hour locations, but even here there are limitations. The cash can be withdrawn only in multiples of \$20, there is an upper limit on the dollar amount that can be withdrawn during a day (such as \$300), and sometimes the machine runs out of cash or is temporarily out of service, requiring the frustrated customer to go to an alternative location. Clearly, the ATM provides no value to the customer who seeks complex banking transactions. The innovation does, however, provide value to the customers in places and at times when access to human tellers is not available. Retail stores, supermarkets, gasoline stations, and post offices are examples of locations where the ATM will provide value to the customer, and it is through these outlets that the cash-dispensing utility of the ATM is increasing.

Resistance affects the timing of adoption.

Similarly, the videodisc player introduced by RCA met with high customer resistance. From the Consumer's perspective, the innovation lacked the value that was promised by a feasible substitute: the videocassette recorder (VCR). The videodisc could play but not record; the VCR could do both, Videodiscs could not be reused, while videocassettes could be reused any number of times. Finally, videodisc players cost much more than VCRS,

especially as Japanese producers of VCRs started to drop their prices. The value barriers faced by the videodisc player were so high that they eventually led to market failure.

Risk Barrier

All innovations, to some extent, represent uncertainty and pose potential side effects that cannot be anticipated. Customers, aware of the risk & try to postpone adopting an innovation until they can learn more about it. There are four main types of risk inherent in an innovation.

The first type of risk is physical risk: harm to person or property that may be inherent in the innovation. New drugs commonly carry some physical risk because they are designed to act on the body. Farmers are unwilling to experiment with new insecticides, fertilizers, and herbicides for fear of soil damage. Consumers are reluctant to try new hair colours for fear that they may cause permanent damage to their hair. Sugar substitutes such as saccharin have met with consumer resistance because of possible adverse effects on health. In fact, this fear of physical risk extends to all processed foods.

The second type of risk is economic risk. The higher the cost of an innovation, as with capital goods, the higher the perceived economic risk, for example, with products such as personal computers and video cameras, many interested consumers are postponing their purchases. They reason, quite correctly, that if they wait, a better product with a lower price tag will soon be on the market. Products based on new technologies are especially susceptible to this risk. For example, even in the corporate ²⁰world, many companies decide to wait for a new generation of production with a better performance-to-price ratio before upgrading their computer systems.

The third type of risk is due to performance uncertainty and is known as functional risk. The customer worries that the innovation may not have been fully tested and that therefore it is possible that it may not function properly or reliably. New cars often generate this uncertainty, since they have no performance record whatsoever.

The fourth type of risk is social risk. Customers may resist an innovation because they feel that they will face social ostracism or peer ridicule when they adopt it. Buying generic

²⁰ RAM S., JAGDISH N. SHETH, *Consumer Resistance to Innovations*, work cited.

brand foods is still not acceptable to most people, even in the case of standardized food items such as frozen vegetables and cornflakes.

Psychological Barriers

The first source of psychological resistance is the cultural change created for the customer by an innovation. When an innovation requires a customer to deviate from established traditions, it is resisted. The greater the deviation, the greater the resistance. Innovation resistance varies in degree.

For example, not all people find it socially acceptable to use computerized dating or to advertise in the newspaper for a potential spouse. Even singles bars as a meeting place carry a stigma. Women executives still encounter difficulties traveling because of the social connotations associated with eating or drinking alone in a hotel. Thus, for the individual consumer, behavior that is contrary to social norms and societal and family values creates the barrier.

Tradition plays a more dominant role, perhaps, in eating habits than in any other form of consumption. This fact has thwarted the innovative uses of foods and beverages as well as the introduction of foods new to the culture. For example, consumers tend to think of cranberry sauce primarily as a Thanksgiving turkey relish, thus creating a marketing problem for Ocean Spray. In the past, instant coffee has had to overcome the image of a lazy homemaker's Product; beer has been, for a long time, considered a blue-collar indulgence: gin and tonic has had the image of a sissy drink, unworthy of the be-man. The examples go on and on. Attitudes can change over time, but until they do, the barriers are up.

Image Barrier

Innovations acquire a certain identity from their origins: the product class or industry to which they belong, or the country in which they are manufactured. If any of these associations are unfavourable, the customer develops an unfavourable image about the

product, and there is a barrier to adoption. Clearly, the image barrier is a perceptual problem that arises out of stereotyped thinking and makes life difficult for the innovation. For example, many people believe that the U.S. postal system is really bad. Yet, it is one of the most efficient in the world. Many other common stereotypes are also false. Small businesses are not always more entrepreneurial than large ones. Decentralized corporations are not always more efficient than centralized corporations. Private universities are not necessarily more innovative than state universities.

The negative image of some foreign countries is a barrier for innovations that originate from such nations. For example, India is one of the largest producers of industrial machine tools, but until recently it suffered from a negative image unrelated to the quality of its products. How could a country of roaming cows and snake charmers produce machine tools, let alone high-quality tools? It took a considerable amount of marketing effort for India to offset this adverse image. Similarly, electronic goods made in Korea, Taiwan, and Hong Kong have had to contend with consumer scepticism.

1.6.3 Strategies for breaking the barriers

Each strategy suggested in this section can be classified into one of five categories: product strategy, communication strategy, pricing strategy, market strategy, or coping strategy. A summary classification of this scheme is shown in Figure 1. As can be seen, most of the strategies relate directly to the product or the use of communication.

Undoing Usage Barriers

The first probable strategy is to develop a systems perspective to market the innovation. After all, any new product or service interacts with other products used and other activities performed by the customer, by looking at the whole operation, the innovating firm can estimate how its new offering will fit into the existing system. For example, where dishwashers were first introduced, they met with resistance from housewives, who were the primary target market. When husbands and teenage children were around to take care of the dishwashing need adequately, a mechanical appliance to take their place seemed

unnecessary. Besides, the dishwasher needed compatible dishes and detergent. The dishes had to be rinsed anyway, and had to be loaded and unloaded. The intended customers thus faced a significant usage barrier. The manufacturer realized that the best approach to marketing the product was to integrate it with other home appliances that were considered essential and provided convenience. Therefore, they sold the dishwashers directly to home builders, who included them in the design of new kitchens. Once the product was available, its utility became apparent, and the usage barrier was broken. The success of minivans can also be attributed to this systems approach. Initially designed for commercial use, they could not be parked in the standard home garage. Chrysler Corporation redesigned the van so that it would fit into existing garages and broke down the usage barrier.

Finally, it is possible to overcome usage barriers by making the innovation mandatory through government legislation. This strategy works effectively if the lawmakers can be convinced that customers will benefit from the innovation. The success of lead-free gasoline can be directly attributed to this strategy. Lead-free gasoline was an innovation developed by Standard Oil Company of Indiana to replace the polluting leaded gasolines which prevented the knocking of automobile engines. Even though it was competitively priced with regular leaded gasoline, customers were not enthusiastic about it. The primary reason was that the car engines were not designed to take this new type of fuel. However, when the oil company directly contacted the government and highlighted the environmental benefits that could be obtained with this product, the government mandated the design and production of automobile engines suitable for lead-free gasoline. A similar strategy worked very well for both seat belts and smoke detectors.

Of the three strategies we discussed above, the first two relate to product packaging while the third is a market development strategy.

Ripping Risk Barriers

A common solution to overcoming the risk barrier has been to offer the innovation on a trial basis to potential customers. For example, when American farmers were worried about the chemical effects of the 2, 4-D pre weed killer on their crops, they were offered a free trial of the product on a five- to ten-acre field. The trial reassured them of the utility of the

innovation and removed the perceived risk. This strategy is thus market-related and increases consumer exposure to the product.

A second method of overcoming risk is to elicit endorsements and testimonials from experts who objectively evaluate the innovation. This approach works for a variety of innovations such as new movies, new restaurants, new pharmaceuticals, and even services offered by brokerage, insurance and legal firms, this is essentially a communication strategy.

Innovations that require changes in customers' routine require a relatively long development process.

Another method of attacking the risk barriers is to package the innovation under a well-known name. For example, many offshore manufacturers of clothing and electronic goods sell their products through reputed firms such as Arrow and General Electric. Professional services such as plumbing, heating, cooling, and roofing are offered by independent contractors under the Sears name, thus guaranteeing quality service. Similarly, imitation cheese is sold mostly to well-known fast-food chains, which use the product as an ingredient in their cheeseburgers. This is thus a product strategy, based on using a reputed brand name.

Immobilizing Image Barriers

The first strategy for overcoming a poor image is to make fun of the image and suggest to people that it is silly for people to carry such stereotypes. For example, the prune grower's association had to reckon with the image barrier for prunes. They hired Stan Freeburg, who came out with such classic slogans as "Today the pits, tomorrow the wrinkles" to promote pitiless prunes. Honda had to counter the beatnik image of motorcycles in the United States. It did so with a campaign which showed respectable people such as a priest and an old lady in tennis shoes riding on the motorcycle. The caption: "The nicest people ride on a Honda." A second strategy is to create a unique image for the product or service. For example, Philip Morris positioned the Marlboro cigarettes for the macho he-man segment and promoted this position using the cowboy theme.

A third strategy is to associate consciously the innovation with someone or something having a positive public image. Borrowing a good image can be very effective. For example, little-known software manufacturers capitalize on compatibility with IBM. Manufacturers of machine tools in India associate themselves with reputed U.S. distributors, thereby overcoming any negative image they suffer with customers.

1.7. Conclusion

In this case, the first two strategies are based on mass communication, while the third strategy is related to the product (brand name strategy).

Innovations have been, and will continue to be, the major source of corporate progress yet successfully innovating is a troublesome task. Customers may resist an innovation because it conflicts with their prior beliefs or because it threatens to create changes in their well-established routines. The major barriers that create consumer resistance to innovations are the three functional barriers (usage barrier, value barrier, and risk barrier) and the two psychological barriers (tradition barrier and image barrier). Corporations also face their own set of barriers when attempting to bring innovations to the market; that subject is beyond the scope of this paper and is discussed in detail elsewhere.

Customer resistance in the form of usage barriers can be lowered by use of one of three strategies: developing a systems perspective, integrating the innovation with preceding activity, and mandating usage through government legislation. Value barriers can be lowered through one of three strategies: improving product performance, positioning the product successfully, and reducing the price to the consumer through cost efficiency. Risk barriers can be reduced with the following strategies: using a well-known brand name, eliciting endorsements and testimonials from users, and facilitating product trial. Traditional barriers can be overcome by educating the consumers and/or using agents; in some instances, the marketing firm may just have to respect the tradition and norms of the users and realize that coping with the situation is the best possible solution, three strategies are available for countering the image barrier: borrow a good image (such as a known brand name), make fun of the negative image that currently exists, or create a unique image for

the innovation. Each of these strategies may be classified into one of five types: product strategy, communication strategy, pricing strategy, market strategy, and coping strategy.

CHAPTER 2: THE BRAND AND THE CONSUMER

2.1 impact of brand awareness on consumer purchase intention

Recently, the rising of consumer consciousness has made consumers choose to purchase their familiar and favourable brand. Therefore, if businesses want to rise above others need to make consumers love to buy their products and brands, to do so, brand awareness is still an important factor to influence purchase decision²¹. Brand Awareness is the measurement of the accessibility of a brand in the memory of the customer. We can measure it through brand recall.

When consumers want to buy a product, and a brand name can come to their minds at once, it reflects that product has higher brand awareness, that means Consumers' purchase decision can be influenced²². This explains why a product with higher brand awareness will have higher market share and better-quality evaluation.

While consumers select a product, they care about perceived quality and brand awareness. Perceived Quality means how much a brand fulfils the expectations of its consumers. As the time has turned out to be consumer-driven quality this phenomenon is very important, and the companies are working hard to achieve the competitive advantage of perceived quality because the perceived quality of a product also depends upon the overall public image. This helps the companies to attain loyal and consistent customers.

Perceived quality can help consumers to have a subjective judgment on overall product quality that make a product hold a salient differentiation and become a selective brand in consumers' minds.

Perceived quality is a result of consumers' subjective judgment on a product (Zeithaml, 1988; Dodds et al., 1991; Aaker, 1991)²³; also consider perceived quality is a judgment on the consistency of product specification or an evaluation on added value of a product²⁴.

²¹ Brand Awareness Effects on Consumer Decision, Macdonald and Sharp (2000)

²² Dodds, Monroe, & Grewal, 1991; Grewal, Monroe & Krishnan, 1998

²³ The Impact of Customer-Based Brand Equity on Revisit Intentions, Aaker, Dodds, (1991)

²⁴ Exploring Market Orientation in Banks: The Journal of Services Marketing, 11, 317-328. Bhuiyan (1997)

perceived quality is defined on the basis of users' recognition while objective quality is defined on the basis of product or manufacturing orientation²⁵.

Perceived Quality It is not the real quality of the products it refers to the personal thought of a consumer about a certain brand or a product.

The differences between objective quality and perceived quality lie in that objective quality has a pre-design standard to a product, and perceived quality is influenced by internal and external product attributes which is an evaluation basis for consumers²⁶.

The reason why perceived quality is different to real quality is because:

- a) a previous bad image of a product will influence consumers' judgment on product quality in the future. Moreover, even the product quality has been changed, consumers will not trust that product because of their unpleasant experience.
- b) manufacturers and consumers have different views on the judgment of the quality dimensions (Morgan, 1985; Aaker, 1996)²⁷,
- c) consumers seldom hold enough information to evaluate a product objectively.

Perceived quality is a consumer subjective judgment on product quality, and he or she will evaluate product quality from their previous experiences and feelings, and will be affected by factors such as previous experience, education level, and perceived risk and situational variables such as purchase purpose, purchase situation, time pressure, and social background from consumers.

Brand awareness means the ability of a consumer can recognize and recall a brand in different situations. Brand awareness consists of brand recall and brand recognition. Brand recall means when consumers see a product category, they can recall a brand name exactly, and brand recognition means consumers has ability to identify a brand when there is a brand cue.

Brand awareness can be distinguished from depth and width²⁸: Depth means how to make consumers to recall or identify brand easily; and width expresses infers when consumers purchase a product, a brand name will come to their minds at once.

²⁵ Quality on the line. Harvard Business Review, 61, 64-75. Garvin (1983)

²⁶ Consumer perceptions of price, quality and value: A means-end model and synthesis of evidence. Journal of Marketing, 52, 2-22. (Olshavsky, 1985; Zeithaml, 1988).

²⁷ Dimensions of brand personality, Morgan, 1985; Aaker, 1996)

²⁸ Building Brand Equity through Corporate Societal, Marketer, Hoeffler & Keller (2002)

If a product owns brand depth and brand width at the same time, consumers will think of a specific brand when they want to buy a product.

Brand awareness is the most effective when: the brand has an impressive name²⁹, a symbol that can assist consumers to identify service providers and to predict service results³⁰, and owns a positive brand image³¹.

There are different variables which affect the consumer's awareness about a brand which are:

- Name: The name of a brand is the first thing which attracts a consumer towards a brand. If the company has an attractive brand name consumer will be encouraged to buy that product.
- Advertising: An effective advertisement also helps the organization to increase the awareness about a brand. The influence of advertisement is always on a large scale. An attractive TVC will bring more customers and one happy customer will advertise the brand by WOM (Word of Mouth). The celebrity who is endorsing the brand is also a very important part of advertising the product. Companies hire famous faces as their brand ambassadors and people get attracted towards the brand.
- Promotions & Sales: The sales and promotions also increase the awareness about the brand. Companies use different ways to promote their brand like a free gift, free sampling, giving their product as a gift with another well-known product of their own brand or in collaboration of any other company.
- 1st Mover Advantage: If a company is bringing any product for the first time in the market it will be remembered by the costumers for a long time. People will always remember that this particular product was introduced by that particular company. And they will compare the first brand with the other in the successors in the market.

Brand awareness plays an important role on purchase intention because consumers tend

²⁹ The Influence of Brand Awareness and Brand Image on Brand Equity, (Davis, Golitic & Marquardt, 2008).

³⁰ The Impact of Brand Awareness on Consumer Purchase Intention Herbig & Milewicz, 1993; Janiszewski & Van Osselaer, 2000; Turley & Moore, 1995).

³¹ Conceptualizing, Measuring, and Managing Customer-Based Brand Equity . Keller, 1993

to buy a familiar and well-known product³². Actually, Brand awareness has a great influence on selections and can be a prior consideration base in a product category³³. A product with a high level of brand awareness will receive higher consumer preferences because it has higher market share and quality evaluation³⁴.

Purchase intention means to plan to buy a good or attain a service. It refers to the desire of a customer to buy a particular product of a certain brand.

Consumer purchase intention is considered as a subjective inclination toward a product and can be an important index to predict consumer behavior (Fishbein & Ajzen, 1975). Zeithaml (1988)³⁵ uses possible to buy, intended to buy and considered to buy as measurement items to measure purchase intention.

The Marketing Dictionary says that the consumer's purchase intention is influenced by different external and internal factors. Which are:

- Trigger: means anything that stimulates a consumer to buy a product of a particular brand. It may be an attractive TVC, some special packaging or any particular attribute of the product which attracts the customer towards the product.
- Outcome Expectation: consumer's expected outcome from a particular product or service from a certain brand also affects his purchase intention.
- Recommendation: a recommendation from the side of a worthy and reliable source can help the customer to purchase the brand
- Personal Association: customer's emotional and personal association also affects his purchase intention of buying any certain brand.

Consumer's purchase intention depends upon very much on the level of satisfaction, he expects and receives. If the brand satisfies the consumer, he will become a regular buyer of that particular brand but if not, the consumer might engage in the negative marketing of the brand.

³² Brand Awareness Effects on Consumer Decision Making for a Common, Repeat Purchase Product. Keller, 1993; Macdonald & Sharp, 2000

³³ Effects of Brand Awareness on Choice for a Common, Repeat-Purchase Product Hoyer & Brown, 1990

³⁴ Effects of Price, Brand, and Store Information on Buyers' Product Evaluations, (Dodds et al., 1991; Grewal et al., 1998).

³⁵ Theory-based behavior change interventions, (Fishbein & Ajzen, 1975). Zeithaml (1988)

Besides, businesses have to build up brand loyalty. Judith and Richard (2002)³⁶ have indicated that anticipated quality and brand faithfulness are profoundly connected to each other and certainly influence the purchase intention.

Some studies suggest that the cost to attract a new customer is more than five times of maintaining a loyalty customer (Reichheld and Sasser, 1990; Barsky, 1994)³⁷. That is, the higher the brand loyalty, the less cost businesses to pay.

2.2 Customer loyalty and satisfaction

Every business organization's success depends on the satisfaction of the customers. Those companies that are succeeding to satisfy the customers fully will remain in the top position in a market. Today's business company has known that customer satisfaction is the key component for the success of the business and at the same time it plays a vital role to expand the market value. Customers purchase products to meet their expectations in terms of money that meet their needs and wants. Therefore, companies should determine their pricing with the quality of the product that attracts the customer and maintains the long-term affiliation. The organization should make sure that they are providing full service, equivalent to their monetary value, providing full service, equivalent to their monetary value. This will increase the number of customers and holds the long-term relationship. And the existing customer will help to attract the new customers by providing or sharing the information about the products and services of the companies.

Satisfaction means to feel content after what the person desired or wanted. It is difficult to know whether the customers are satisfied with the availability of the product or services.

³⁶ Measuring brand equity. Judith and Richard (2002)

³⁷ Zero Defections: Quality Comes to Services. Harvard Business Review, 68, 105-111. (Reichheld and Sasser, 1990; Barsky, 1994).

So, giving satisfaction to the customers is not an easy task, for this different factor is needed to be taken into consideration, and has been one of the challenging tasks for the competitors. One of the important aspects to ensure the attention of the customers is to provide the best and the most favourable products at this competing market. If a customer's satisfaction is earned, then it is sure that customer loyalty will also come along with it. In order to increase the number of the customers, development of customer's satisfaction is very important. In terms of achieving business goals, these two terms are very important. Hence, the relation of customers and the business organization or market is, therefore, the most important one.

Customer loyalty and satisfaction is vital for modern day business for two main reasons. First, customers are scarce resource it is far easier to obtain from an old customer than from a new one. Second, customer loyalty and satisfaction have a positive effect on the profitability revenues of the company (Rosenberg & Czepiel 2017).³⁸

Customer satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with the good or service over time (Fornell, Johnson, Anderson, Cha & Bryant 1996). With marketing, customer satisfaction also comes along with it which means it ascertains the expectation of the customer on how the goods and services are being facilitated by the companies. Customer satisfaction has been one of the top tools for a successful business, is a crucial component of a business strategy as well as customer retention and product repurchase. To maximize the customer satisfaction companies should sell ideas and methods after the completion with all the necessary documents. As for example, customers will buy a car after taking a closer look at it such as how is the engine, what is its model, how many kilometres it has been traveling, and is there any cracks or not. Otherwise, if the company uses only their sell and build method customers might expect that the car is exactly the same as what they see in the pictures and later on the company might receive complaint if anything is wrong. Customer satisfaction is a barometer that predicts the future customer behaviour (Hill, Roche & Allen 2007.)³⁹ Satisfied customers usually rebound and buy more. Besides buying more they also work as a network to reach other potential customers by sharing experiences (Hague & Hague

³⁸ A MARKETING APPROACH FOR CUSTOMER RETENTION, (Rosenberg & Czepiel 2017)

³⁹ Customer Satisfaction: The Customer Experience Through the Customer's Eyes, (Hill, Roche & Allen 2007.)

2016.)⁴⁰. when the organization wins a customer, it should continue to build up a good relationship with the client. Providing the quality of goods and services in the 20th century is not only to satisfy the customers but also to have a safe position. Indeed, this has benefited the customers significantly on consuming qualitative products (Rebekah & Sharyn 2004.)⁴¹

Customers often look for a value in the total service which requires internal collaboration among the department that is responsible for different elements of the offering, such as the core product (goods or services) delivering the product, product documentation, etc. Hence, firms have to get to know their customers much better than has normally been. However, the company should be able to build trust with the customer so it is easy to get the feedback from the customer. This is how customer-oriented product or service could be developed (Hill, Brierley & MacDougall 2003.)⁴²

Customer satisfaction is influenced by specific product or service features and perceptions of quality. Satisfaction is also influenced by customer's emotional responses, their attributions nether perception of equity (Zeithal & Bitner. 2003, 87-89.) ⁴³Increased customer satisfaction can provide company benefits like customer loyalty, extending the life cycle of a customer expanding the life of merchandise the customer purchase and increases customers positive word of mouth communication. When the customer is satisfied with the product or service of the company, it can make the customer to purchase frequently and to recommend products or services to potential customers. It is impossible for a business organization to grow up in case the company ignores or disregards the needs of customers (Tao 2014.)⁴⁴

⁴⁰ CUSTOMERSATISFACTION AND CUSTOMERLOYALTY, (Hague & Hague 2016.)

⁴¹ Customer satisfaction should not be the only goal, (Rebekah & Sharyn 2004.)

⁴² How to Measure Customer Satisfaction, Hill, Brierley & MacDougall 2003.)

⁴³ Services Marketing, 3rd Edition, (Zeithal & Bitner. 2003, 87-89.)

⁴⁴ Moderating Effects of Service Guarantee, Service Relationship, and Perceived-risk on Customer Satisfaction (Tao, 2014)

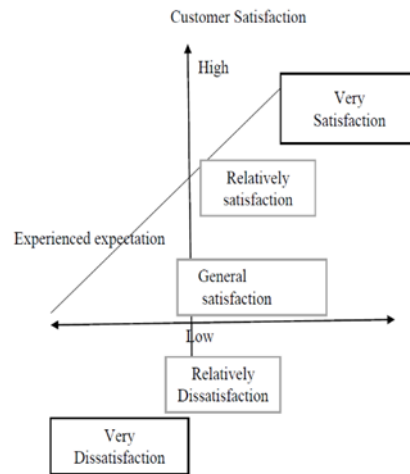


FIGURE 1. Customer satisfaction analysis model (Adapted from Tao 2014.)

Customer relationship management triangle law describes: Customer satisfaction = customer expectations-customer satisfaction. In the given figure customer satisfaction can be seen negatively correlated with customer expectations. The figure clear difference between the customer experience and customer expectation. Therefore, it is divided into five intervals (very dissatisfied, relatively dissatisfied, general satisfaction, relatively satisfied and very satisfied). When the customer experience essential flats with customer expectation, the customer satisfaction become higher. On the contrary, compared with the expectations, the worse customer experience brings lower customer satisfaction. There are two ways to improve customer satisfaction for companies. First service improvement, to enhance the customer experience and second try to effectively manage customer expectations by reducing the desired level. However, the first approach is widely used in the organization and achieved great success. In the future, companies will need to still make some adjustment for continuous improvement.

Oliver (1999,33) ⁴⁵defines loyalty as "a deeply held commitment to rebuild and re-patronize a preferred product or service in the future despite situational influences and marketing efforts having the potential to cause switching behaviours. "Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and re-patronage. Loyalty building requires the company to focus the value of its product and services and to show that it is interested to fulfill the desire or build the relationship with

⁴⁵ Whence Consumer Loyalty?, Oliver (1999,33)

customers (Griffin 2002.) ⁴⁶In today's market where creating and maintaining customer loyalty is more complex than it used to be in the past years because of technological breakthrough and widespread of the internet uses. Loyal customers will encourage others to buy from you and think more than twice before changing their mind to buy other services. Designing for customer loyalty requires customer-cantered approaches that recognize the want and interest of service receiver. Customer loyalty is built over time across multiple transactions.

Gremler and Brown (1999)⁴⁷ divided customer loyalty into three different categories that include behaviour loyalty, intentional loyalty, and emotional loyalty. Behaviour loyalty is repeating purchasing behaviour while intentional loyalty is the possible buying intention. Emotional loyalty, however, is achieved when a customer feels that a brand corresponds with their value, ideas, and passion.

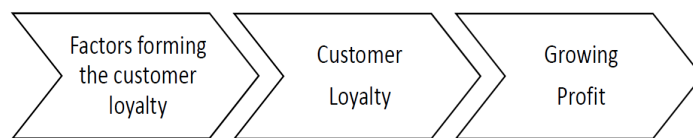


FIGURE 2. Model of customer loyalty (Adapted from the loyalty model 2012.)

Figure 2 Illustrates how much customer loyalty is as much a process as other. According to the model of the customer loyalty factors forming customer loyalty such as understanding the customer's needs, wants. The company must pay attention to price, promotion, service and products in order to gain the customer loyalty. At the same time to create the comfort environment between the customer and the company is vital. Investment to loyal customers brings advantages to the business such as growing effectiveness and profit of the business.

⁴⁶ Reputation Management: Marketing. (Griffin 2002.)

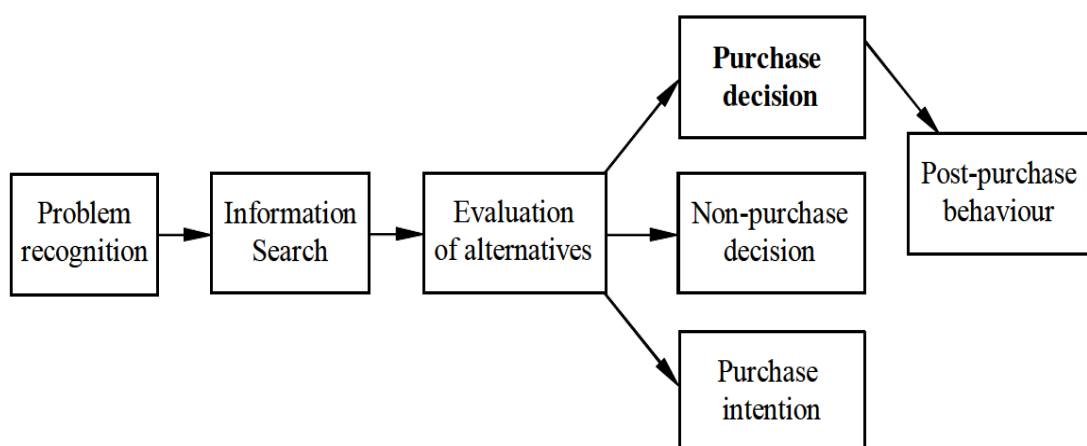
⁴⁷ Customer loyalty in the specialty restaurants: An example from Istanbul, Gremler and Brown (1999)

2.3 Customer Buying decision process

The model of consumer purchase decision-making from Engel, Blackwell and Miniard (1995)⁴⁸, divide consumer purchase decision process into five stages:

1. problem recognition,
2. information search,
3. alternative evaluation,
4. purchase decision,
5. post-purchase behaviour.

Further, they contend that purchase intention can be divided into unplanned buying, partially planned to buy and fully planned buying. Unplanned buying means that consumers make all decisions to buy a product category and a brand in a store. It can be regarded as an impulse buying behaviour. Partially planned buying means that consumers only decide a product category and the specification before buying a product, and brands and types will decide in the shop later. Fully planned buying means that consumers decide which product and brand to buy before entering the shop. Mowen and Minor (2001)⁴⁹ maintain that consumer decision making are a series of processing results from perceiving problems, searching for solutions, evaluating alternatives, and making decisions.



⁴⁸ Consumer Behavior. 6th Edition, Dryden Press, Chicago, New York. Engel, J.F., Blackwell, R.D. and Miniard, P.W. (1995)

⁴⁹ Effect of Service Quality and Marketing Stimuli on Customer Satisfaction: The Mediating Role of Purchasing Decisions, Mowen and Minor (2001)

Five stages explained:

1) Problem or Need Recognition is the first stage of the buying decision process. It appears when the consumer recognizes a perceptible and big enough difference between the actual level of satisfaction of a certain need and the amount of satisfaction that he longs for. The existence and the manifestation of the need can be caused by internal or by external stimuli. The internal stimuli can be triggered by the most basic needs. They may become as acute as to be transformed in drives. External stimuli can arise from a well-designed advertisement or a mere discussion with a friend.

2) Once the consumer has recognized the existence of an unsatisfied need, the next phase of the buying

decision process is information search and the identification of alternatives. Information is fundamental for the future buying decision. The quantity and the accuracy of the information depend on:

- the consumer;
- the product or the service to be purchased.

The more the product or the service has a higher value and a reduced buying frequency, the more researched information tends to be more thorough, from multiple sources, as compared to the products or services that any consumer buys on a regular basis. The amount and the thoroughness of the newly researched information are deeply connected to the previous experiences of the consumer and to the error cost that he perceives when taking a wrong decision. Consumers may undertake different types of research and may obtain information from several sources:

– The *internal research* – refers to the mental process of researching the information stocked

in the memory, actively or passively. It may serve as a basis for the buying decision process.

– The *external research* – refers to information obtained via different sources such as:

- Personal: family, friends, neighbours, acquaintances.

- Commercial: advertising, Web sites, sales persons, dealers, packaging, displays.
- Public: Mass media, consumer-rating organizations.
- Experiential: Handling, examining, using the product or the service, previous experiences.

Broadly speaking, the consumer receives most of the information about a product or a service from commercial sources. Nevertheless, the most trustworthy information often comes from personal sources or public sources. “*It’s rare that an advertising campaign can be as effective as a neighbour leaning over the fence and saying, This is a wonderful product*” (Kotler & Armstrong, 2008, p. 14)⁵⁰

3) After information research and the identification of possible alternatives, the consumer goes to the next phase of the decision buying process, the mental evaluation of the existent alternatives. It is now when the consumer processes information to arrive at brand choices. The degree of complexity of the evaluation process is influenced by various factors, among which the most important are:

- The consumer’s experience;
- The importance of the service/product considered;
- The cost of making a bad decision;
- The complexity of the evaluated alternatives;
- The urgency with which the decision must be taken.

4) In the evaluation stage, the consumer ranks brands and forms *purchase intentions*.

Generally, the consumer’s purchase decision will be to buy the most preferred brand, but at least two *factors* can come between the purchase intention and the purchase decision:

- *The attitudes of others*: if someone important to you tells you that you should buy the lowest priced

car, then your tendency of buying a more expensive car are substantially reduced.

- *The unexpected situational factors*: the consumer up to this point has formed a purchase intention base on factors such as expected price, expected product benefit.

In this phase of the buying process, the consumer decides upon his decisional behaviour, in the sense that he has the following possibilities:

⁵⁰ Principles of Marketing (12th ed.). London: Pearson Education Limited. Kotler, P., & Armstrong, G. (2008).

- The decision of buying the product or the service;
- The decision of not buying the product or the service;
- The decision to postpone the purchase;
- The decision of replacing the product or service that he wants with another product or service.

5) The buying decision process does not end with the purchase decision, but with the post-purchase evaluation. In this phase, the consumer analyses the extent to which his purchase decision was good or not. The answer lies in the relationship between the consumer's expectations and the product's perceived performance.

If the product "falls short of expectations, the consumer is disappointed; if it meets expectations, the consumer is satisfied; if it exceeds expectations, the consumer is delighted." (Kotler & Keller, 2006, p. 198)⁵¹ In the last two cases, the consumer will stock in his memory the information that helped him make the satisfactory or delightful buying decision. Consumers may become dissatisfied with the disadvantages of the bought product and they may feel uneasy about the advantages of the brand not selected and purchased.

If the customer is satisfied, he will exhibit a higher probability of purchasing the product again. The satisfied customer usually tends to say good things about that brand to others. Marketers consider that their best advertisement is a satisfied customer. On the other hand, a dissatisfied customer who criticizes a brand is likely to cost that company up to 20 clients in minus.

2.4 Factors influencing consumer behaviour

Generally, customer loyalty is a behaviour while customer satisfaction is an attitude. Therefore, there are certain differences between the factors which influence customer satisfaction and customer loyalty (Gajjar 2013.)⁵² Generally, price, quality, reliability, empathy, responsiveness are the main factors that influence the customer satisfaction and loyalty.

⁵¹ Marketing Management. 12th Edition, Prentice Hall, Upper Saddle River. (Kotler & Keller, 2006, p. 198)

⁵² Factors Affecting Consumer Behavior, (Gajjar 2013.)

Consumer behaviours refers to the selection, purchase, and consumption of goods and services for the fulfilment of their basic and the fundamental needs. There are different phases involved in consumer behaviours. Initially, the consumer finds the needs and then goes for the selection and budgets the commodities and take the decision to consume. Product quality, price, service, consumer emotion, personal factors, situational factors, a perception of equity or fairness, product features are some of the factors that influence the customer satisfaction.

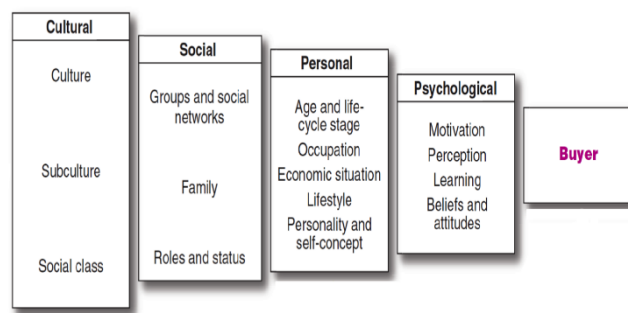


FIGURE 3. Factors Influencing Consumer Behaviour (Adapted from Deep 2017.)

- Cultural factors: Culture is crucial when it comes to understanding the needs and behaviour of an individual. The values, perceptions, behaviours and preferences are the factors basically learned at the very early stage of childhood from the people and the common behaviours of the culture. Norms and values are carried forward by generation from one entity to the other. Cultural factors represent the learned values and perceptions that define consumer wants and behaviours. Consumers are first influenced by the groups they belong to but also by the groups (aspirational groups) they wish to belong to.
- Social factors: Human beings live in an environment surrounded by several people who have different buying behaviour. A person's behaviour is influenced by many small groups like family, friends, social networks, and surrounding who have different buying behaviours. These groups form an environment in which an

individual evolves and shape the personality. Hence, the social factor influences the buying behaviour of an individual to a great extent.

- Personal factors: This consumer behaviours includes personal factors such as age, occupation, economic situation, and lifestyle. Consumer changes the purchase of goods and services with the passage of time. Occupation and the economic situation also have a significant impact on buying behaviours. On the other hand, a person with low income chooses to purchase inexpensive services. The lifestyle of customers is another crucial factor affecting the consumer buying behaviours. Lifestyle refers to the way a person lives in a society and is expressed by the things in the surroundings.
- Psychological factor: Many psychological factors like motivation, perception, learning, and attitudes and beliefs play a crucial role in purchasing a particular product and services. To increase sales and encourage the consumer to purchase the service organization should try to create a conscious need in the consumer's mind which develops an interest in buying the service. Similarly, depending on the experiences of the costumer's experiences, beliefs, and personal characteristics, an individual has a different perception of another. Attitudes allow the individual to develop a coherent behaviour against the class of their personality. Through the experiences that the consumers acquire, the customer develops beliefs which will influence the buying behaviour.

The factors that influence customer vary from people to people and by the culture of the people. Hence, for a successful consumer-oriented market service provider should work as a psychologist to procure consumers. By keeping in mind that affecting factors can be made favourable and goal of consumer satisfaction can be achieved. The study of consumer buying behaviour is gateway to success in the market, since that brand image, and perceive value, price, health concern and quality influences customer satisfaction.

Customer loyalty is another important factor in customer satisfaction. The impact of the satisfaction in loyalty has been the most popular subject in study of the marketing theory. Therefore, several studies have proved that satisfaction and loyalty have the direct connection between one another. If the behaviours of the customers is positive to the

service holder, then those customers are said as a loyal customer (Abdullah 2012.)⁵³ There are two types of customer loyalty based on behavioural and emotional loyalty on the goods and services. Behavioural loyalty refers to frequent shopping in a particular retailer and emotional loyalty refers to the customers' concern towards certain retailer on the basis of past buying experience and attitude. In this both behavioural and emotional loyalty model, increased satisfaction should increase customer loyalty. Therefore, there should also be other factors besides satisfaction that have a certain impact on customer loyalty (Reichheld & Schefter 2000.)⁵⁴ Nowadays, Service quality, product quality, price strategy, store attributes are the four major variables that influence customer loyalty. Service is one of the most complex factors which do not exist before they are consumed. In order, to develop the service management it is important to understand what customers are really looking for and what the customers evaluate. Customers expect the quality of service through retailers, so, the service marketers have to assess how customers perceive the quality of the "services feature" implied by the perceived service quality framework. Service quality refers to the result of the comparison that the customer makes their expectation about the service and their perception of the way the service has been performed (Grönroos, C. 2007).⁵⁵ Leonard Berry and his colleagues developed the SERVQUAL (SERVices QUALity) instrument which is important for measuring the customers' service quality. The relationship between customer satisfaction, customer loyalty and service quality are studied based on the complaints from the dissatisfied customers. (Ziethaml & Bitner 2003,134.)⁵⁶ service quality has a significant relationship with the customers' satisfaction which directly affects the customers' loyalty.

Product quality is also another core factor of the customer's satisfaction and loyalty. Product quality is a collection of features and sharp brand product characteristics which have a contribution to the ability to fulfil specified demand. Product qualities also have different dimensions such as features, performance, reliability, durability, serviceability and customer perceived quality. Out of all these dimensions, mainly five elements, product

⁵³A Better Marketing Mix, (Abdullah 2012.)

⁵⁴ Reichheld, F.F. and Schefter, P. (2000) E-Loyalty: Your Secret Weapon on the Web. Harvard Business Review, 78, 105-113.

⁵⁵ Service Management and Marketing: Customer Management in Service, (Grönroos, C. 2007)

⁵⁶ CUSTOMER SATISFACTION AND CUSTOMER LOYALTY, (Ziethaml & Bitner 2003,134.)

durability, product variety, product freshness, product attractiveness and product equity have been used to measure the satisfaction and loyalty of the customers.

Because of product variety, the firms will get an opportunity to pay attention towards the customer and also increase the greatest product variety. This will increase the growth and volume of the product as well as the customers' satisfaction and loyalty to a great extent. Hence, the firms had begun to develop the satisfaction and loyalty of the customers by offering quality goods and services.

2.4 Types of consumers: market segmentation and target market selection

Marketing management foresees among its analysis and strategic design activities the segmentation of the consumer market, the researches are aimed at dividing consumers into homogeneous groups and understanding what opportunities or threats exist within the segment. Once all the research has been carried out, the company must decide which and how many market segments to address.

The subdivisions can be:

- Geographical segmentation: consists of the subdivision on a geographical basis and the variables will be states, nations, regions, provinces, cities or neighborhoods. In this way, companies can decide in which area to turn their activities or paying due attention to calibrate marketing projects on different geographical areas. The motivation behind this is to carry out marketing initiatives on a territorial basis.

A striking example of a marketing initiative that involved consumers on a local basis penetrating the market and anticipating new trends is the well-known case of Illy Caffè. when with the aforementioned analysis it was able to anticipate new trends on the niche of high quality coffee.

The culture of good coffee widespread in Western countries was not as well known in countries like China where tea was its substitute. The emergence of a Western culture has led to different scenarios. As a result, Illy Caffè has launched two products, in the niche of quality coffee, addressed to two very specific

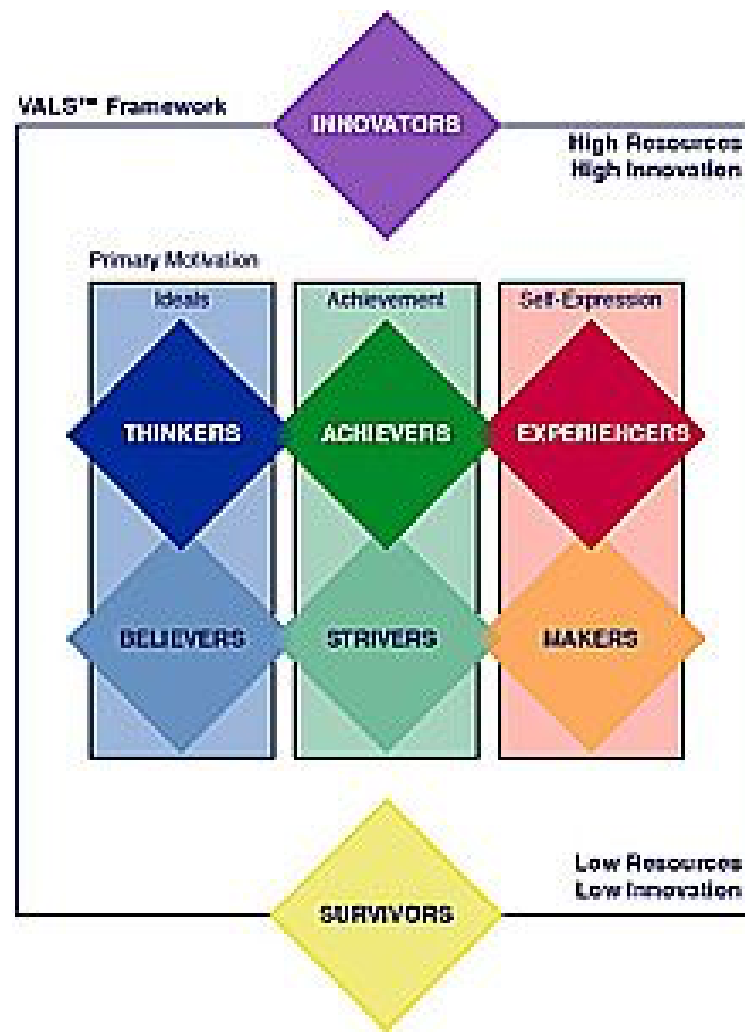
segments: traditional espresso for workers and soft drinks the tastes of young cosmopolitans exploiting the potential of a new market by mediating an efficient targeting. (Source: www.illy.com)

- Demographic segmentation: the market is divided on the basis of income, age, number of family members, education, profession, ethnicity, culture, gender, religion. These variables are easily quantifiable reason, simple to analyze and to find which is why this method is one of the most popular in companies.
- Behavioral segmentation : a process that is based on the assumption that demand is heterogeneous and marketing managers must understand where it originates, so consumers are observed on the basis of their behavior through internet tracking, geolocation services, loyalty cards that report data and / or quantity of purchase or more generally through purchasing and consumption behaviors.
- Socio-psychographic segmentation: this approach combines different methods of psychology, sociology, anthropology and demography to better understand the consumer. The most famous system for is the VALS platform, acronym of "Values And Lifestyle" that divides groups of people according to elements and generates a "score" based on the answers. On the American website there is the questionnaire that consists of 4 demographic and 35 attitudinal questions, at the end the system returns the consumer profiling based on resources:
The four most resourced groups are:
 1. Innovators- people considered "high-end", prefer high-quality and niche products and services. These people are sophisticated, successful, active and with strong self-esteem
 2. Reflective- They look for functionality, values and durability in products. They are mature, satisfied people, motivated by ideals.

3. Ambitious-They prefer product purchases that prove their success as luxurious watches and machines can prove their success. Successful career- and family-oriented people.
4. Experimenters - impulsive and predominantly young people who seek variety and emotions, follow fashion and everything that is trendy.

The four groups with the least resources are:

1. Devotees- Traditional people, conservative, with solid convictions. They prefer well-known brands, created in homelands and are loyal to historical brands, they are not simple customers to acquire!
2. Velleitari-They love fashion and trends but have few resources at their disposal and therefore choose products that imitate luxury ones.
3. Practical- Concrete people who do not like the superfluous, prefer products with practical or functional purposes.
4. Survivors- Older people, mainly, loyal to favorite brands.



Market research experts judge VALS as one of the best tools, the probability that a subject will change their preferences is directly proportional to the change in their standard of living.

The next step after market segmentation is to choose your reference market considering several factors: the attractiveness of the segment, competition and company resources.

2.5 Customer experience

Upshaw says that brands are the atomic core of our consumer---driven capitalistic economy and that they've fueled our commerce by being the nucleus of product and service categories toward which consumers have been attracted in their search for benefits to improve their life's. He says "A brand has become the assortment of expectations

established by the seller that, once fulfilled, forms a covenant with its buyers”⁵⁷. Consumers think of brands they prefer as trustworthy and reliable and this is largely based on the perceived value of the brand – its performance---to---price quotient. A brand performance that overcomes or matches brand promises is one step closer into reaching brand loyalty from a consumer.

Before the 80’s companies wanted to buy production capacity but after that they started to want to buy a place in the consumer’s mind. The focus shift started when they realized that brands were more than simple identifiers⁵⁸.

If the brand was thinking before on a mass model market oriented on mass production, the basic idea was to create a unique product for all of the client’s category; but today, thanks to technology innovations the brand its oriented to a more consumer-oriented approach. This way your clients become part of the process of choosing what is wearing, and on the other hand the relationships with the company is gonna grow up in order to maximize their needs.

“Experiences are a fourth economic offering, as distinct from services as services are from goods, but one that has until now gone largely unrecognized.” (Gilmore, 2011)⁵⁹ Experiences as the fourth economic offering allows the company and customers the closest level of personalisation. As each customer has their own personal memory and emotions attached to the event/experience it creates a lasting impression on the consumer. The simplest way to define the experience economy (in relation to the economic offerings) is that the consumer transitions from a buyer to a participator. Meaning that the consumer takes part in the development of the final product.

“Every day consumers are faced with an overwhelming number of choices. And while price and product are still very important differentiators, it is now the customer's experience that truly sets remarkable companies apart from the rest.” (Walter, 2015)⁶⁰.

⁵⁷ Upshaw, L.B., 1995. Building brand identity: a strategy for success in a hostile marketplace, New York: John Wiley & Sons Publishers.

⁵⁸ Kapferer, J.-N., 2008. Strategic Brand Management: Creating and Sustaining Brand Equity Long Term 4th ed., London, England: Kogan Page. Available at: [http://www.tccim.ir/images/docs/11 New Strategic Brand Management by Philip Kotler - 4th Edition.pdf](http://www.tccim.ir/images/docs/11%20Strategic%20Brand%20Management%20by%20Philip%20Kotler%20-4th%20Edition.pdf)

⁵⁹ Event Marketing Trade Show Case Study, (Gilmore, 2011)

⁶⁰ 12 Leadership Behaviors That Build Team Trust (Walter, 2015).

According to a study conducted by Harris, 82% of millennials aged 18-34 partook in a form of live experience. A further “72% say they’d like to increase their spending on experiences rather than physical things in the next year, pointing to a move away from materialism and a growing appetite for real-life experiences.” (Event Brite, 2014)⁶¹ With this data it suggests that the experience economy is only going to grow and it is the future for companies.

With the development of technology, the use of social media allows customers to communicate a lot faster. “As of 2017, daily social media usage of global internet users amounted to 135 minutes per day, up from 126 daily minutes in the previous year.” (Statista, 2018)⁶² This allows the perfect platform for brands to establish awareness. “47% of people who follow a brand on Twitter are more likely to visit that company’s website.” (Smith, 2017).⁶³

“Millennials expect a two-way, mutual relationship with companies and their brands. We call this the reciprocity principle. Through the feedback they express both offline and online, Millennials influence the purchases of other customers and potential customers. They also help define the brand itself. The Internet, social media, and mobile devices greatly amplify Millennials’ opinions and accelerate their impact.” (Christine Barton, 2014)⁶⁴

Brand Awareness composes of much more than just the ideals and brand values of a company it also embraces the visible and other sensory components.

It has been psychologically proven that effective logos dramatically increase awareness. Most companies leave it at that for their marketing, however, a new trend has begun to emerge as Sensory marketing.

Sensory Marketing is utilizing all 5 senses to promote your product rather than the traditional sight and sound. Yet, the most effective sense has mostly been overlooked. That being scent. "Smells don't have any meaning prior to being associated with an experience,

⁶¹ What is the Experience Economy? ,Economic evolution explained. EventBrite, 2014)

⁶² Global marketing services spending 2012-2018. (Statista, 2018)

⁶³ Digital Marketing Excellence: Planning, Optimizing and Integrating. (Smith, 2017).

⁶⁴ The efficiency cost of market power in the banking industry. (Christine Barton, 2014)

then after they become experienced with something, that's what they represent," (Herz, 2011).⁶⁵

By incorporating more senses into an event or marketing campaign provides more stimuli for the customer to associate with the brand and allow more subconscious associations and reinforcing the idea to buy from that brand. Experience Economy has positive effects for the businesses that employ them. Brand's using personalized experiences for their marketing find that customers have further association links, and achieve greater satisfaction from using that company over another. The Experience Economy is one of the greatest marketing tools that a business can use as it impacts all aspects of the company in the public eye. There is room for adaptation and development within this sector and with the accompaniment of emerging technology the possibilities are endless.

2.6 Conclusions

Brand identity and brand recall are positively related to purchase intention. It signifies that consumer will buy a familiar and well know product (Keller, 1993; Jacoby & Olson, 1997; Macdonald & Sharp, 2000).⁶⁶ In other words, the higher the brand awareness, the higher the purchase intention. brand loyalty represents a repurchase commitment in the future purchase which consumers will not change their brand loyalty under different situations and still buy their favorable brands. brand awareness is significantly and positively related to perceived quality. brand awareness is positively and significantly and positively related to brand loyalty; and brand loyalty is positively and significantly related to perceived quality.

⁶⁵ The 'Real' Impact of GATT/WTO – a Generalised Approach. (Bernhard Herz, Marco Wagner) 2011

⁶⁶ Impact of Brand Awareness, Perceived Quality and Customer Loyalty on Brand Profitability and Purchase Intention, product (Keller, 1993; Jacoby & Olson, 1997; Macdonald & Sharp, 2000)

CHAPTER 3: MARKETING AND BRANDING IN FUNERAL MARKET: PRIMA BOTTEGA AND THEIR PRODUCTS

After having considered what has been described in the previous chapters regarding the construction of the brand identity and the relationship between the brand and the consumer, the aspects related to the marketing strategies implemented in the funeral market will be examined in depth, to then examine the case study of a company in the funeral sector.

In particular, we will observe the products connected to the brand and the marketing strategies currently used, to then build the brand identity relating to a specific product and the related marketing implementation.

The product object of this study will be the urn, as several statistics studies⁶⁷, also confirmed by our survey, show that cremation is ever closer to the new generations and, moreover, there is a need to find alternatives to burial, linked the lack of space to be used as cemetery land.

3.1 Marketing in the funeral market

Most people will, at some time in their lives, be compelled to purchase funeral or other death-related services or products when a loved one dies. In these circumstances, three uncommon conditions are normally present:

1. The purchaser has not, prior to the death, sought out or obtained information about available, required, and desired options, including cost considerations.
2. The purchase cannot be avoided and substantial time pressures prevail.
3. The emotional state of the bereaved buyer has a strong impact on the rational decision-making process. Beginning in the 1970s, numerous funeral directors were accused of using polished, persuasive techniques to induce grief-stricken family members to make hasty, unnecessary, and unwanted purchases, often at unconscionable prices.

In 1978, the Federal Trade Commission (FTC, from now on) issued the results of a five-year study of the funeral industry. It recommended that the federal government regulate certain activities to prevent exploitation of the consumer.

On September 24, 1982, the FTC published a ruling known in the Federal Register as the Funeral Rule. 1 FTC staff guidelines to assist funeral providers in meeting the requirements of the Funeral Rule went into effect during 1984.

The Funeral Rule guidelines provide for:

- Full disclosure of prices, legal and processing requirements, and incidental charges;

⁶⁷ISTAT: statistics of cremation, death and burial in 2019 available on <https://www.hermesfuneraria.eu/?p=4521>

- Elimination of bundling and tie-in pricing so that purchasers can choose only those services and products they desire;
- Control of misrepresentations. What has been the impact of the Funeral Rule on marketing practices in the funeral industry? How has the rule affected the welfare of purchasers?⁶⁸

That was the beginning of the funeral market era.

Negative demand has been described as "a state in which all or most of the important segments of the potential market dislike the product and, in fact, might conceivably pay a price to avoid it." After introducing the above concept and offering examples of such products (for example, dental care, major surgery, and air travel), Kotler suggests that the marketers of these types of services must analyze the source of the market's resistance. Then they must position the product in a frame-work that suggests values that are positive for the prospective purchaser.⁶⁹ Thus, dentists point to dental hygiene, physicians emphasize renewed good health, and airlines promote their safety records and the speed of air travel.

Despite their unpopularity with all or part of the marketplace, such products and services generate sizable revenues and attendant profits. Consumers are often compelled to purchase the products for reasons of health, business, or convenience. One group of offerings may well be the most distasteful of all: services and products marketed by the funeral services industry. The buyer of funeral services is confronted by three unique conditions: lack of prior information, time pressures, and a disturbed emotional state.

The negative demand for funeral services can be attributed to a prevailing societal attitude of denying death. **People make funeral purchasing decisions with little prior knowledge of needs, requirements, costs, and available alternatives.**

⁶⁸ Federal Trade Commission, "Funeral Industry Practices: Trade Regulation Rule," Federal Register III (September 24, 1982).

⁶⁹ Philip Kotler, "The Major Tasks of Marketing Management," Journal of Marketing (October 1973): 42-49.

One researcher found that a bereaved person's age or education level were not significant predictors of the person's knowledge of funeral practices, requirements, available services, and costs. Another study found that 75 percent of the respondents were unaware of the legal requirements of embalming, the need for a casket, and the purpose of burial vaults. When consumers who had never arranged a funeral were asked to estimate the average cost of a funeral, answers ranged from \$300 to \$10,000.⁷⁰

For the majority of consumers, the buying of funeral services is the third largest expenditure they will ever make in their lifetimes, following purchase of a home and an automobile. An informal survey of 12 funeral directors in the Middle Atlantic area revealed that the average expenditure for a funeral and burial arrangement during 1984 was \$2,740. There are few other commercial transactions where the purchase price is so large and the consumer's bargaining power so small.

The consumer is in a situation of immediate need and does not have time to "shop around" for the best deal or to review legal requirements. The situation directly contradicts the findings that, the larger the dollar amount of a consumer purchase, the longer the consumer will take for the purchase decision.⁷¹

The pressure on the consumer increases when the hospital or institution requests that the body be removed as soon as possible. This pressure is especially intense if the institution does not have proper facilities to store the body for an extended length of time. Together, these conditions place the consumer in an atmosphere that does not lend itself to rational decision making.

These time pressures induce a high degree of customization and invite marketing personnel (that is, funeral directors) to exercise considerable judgment in designing and pricing the offering. The locus of control shifts from the buyer to the supplier, not unlike the situation where the patient in need of surgery entrusts everything (including life itself) to the physician. The purchaser may not even recognize the superfluity or

⁷⁰ 3. Federal Trade Commission, "The Price of Death: A Survey Method and Consumer Guide for Funerals, Cemeteries, and Grave Markers" (Seattle Regional Office, 1975).

⁷¹ These are the findings reported by Joseph W. Newman and Richard Staelin in "Information Sources of Durable Goods," *Journal of Advertising Research* (April 1973): 19-30.

extravagance of the supplier's package 41 until sometime following the mourning period.⁷²

Bereaved survivors come to funeral homes to make their buying decisions in a state of emotional shock and vulnerability. The grief reaction has been described as the gradual process of destroying the intense emotional ties to the deceased.

Survivors of the deceased have very real needs that dwarf the desire for involvement in the funeral selection process. They are suffering from a sense of irretrievable loss, somatic stress, disorientation, hostility, and feelings of denial.⁷³ The individual's needs during this period of emotional trauma can be divided into four distinct categories:

1. Psychological: needs to work through grief, accept the death, and adapt to new patterns of behavior;
2. Sociological: a need for continued human support and companionship;
3. Theological: a need to have at least a basic understanding of what the death has meant in some sort of spiritual context
4. Physical: a need to acknowledge and overcome any physical symptoms that arise from the loss of a loved one.⁷⁴

The bereaved survivor often may be plagued by guilt and self-accusation during the funeral planning period.⁷⁵ Survivors accuse themselves of neglecting the deceased during his or her lifetime. Guilt feelings may be heightened by funeral directors who allude to minimal funeral expenditures as being unworthy reflections of the deceased person's life or as inadequate displays of the survivor's love for the deceased. This latter form of guilt is "the inner drive which responds most compulsively when the undertaker accuses the clients, by word or implication, of little love for the dead if the funeral falls short of the most expensive outlay the family can scrape together."

⁷² As observed by Christopher H. Lovelock, "Classifying Services to Gain Strategic Marketing Insights," *Journal of Marketing* (Summer 1983): 9:20.

⁷³ See R. D. Patterson, "Grief and Depression in Old People," *Maryland State Medical Journal* (1969): 75.

⁷⁴ Erich Lindemann, "Symptomatology and Management of Acute Grief," in Robert Fulton, ed., *Death and Identity* (New York: Wiley, 1965): 112.

⁷⁵ Paul E. Irion, "The Funeral and the Bereaved," in Vanderlyn R. Pine et al., eds., *Acute Grief and the Funeral* (Springfield, Ill.: Charles C. Thomas Co., 1976): 67.

In an effort to relieve possible future guilt feelings, the consumer may select funeral options that he or she feels will avert any post-purchase dissonance. The bereaved person wants "to do the right thing" so that "this is the wrong time to think about economizing." Monetary expenditures for the casket and other embellishments may be considered a final gift to the deceased.

One survey found that funeral expenditures were significantly higher when death was unexpected than when it was anticipated. By buying an expensive funeral, families may try to purge themselves of guilt feelings that arise because obligations to the deceased could not be fulfilled prior to death.

Another dimension of the guilt reaction deals with the bereaved person's desire to maintain status in the eyes of close friends and relatives. These individuals can often persuade the bereaved to play the simultaneous roles of grief-stricken survivor, rational consumer, and family cheapskate. Each role that the consumer is playing may have different consequences on his or her final buying behavior.⁷⁶

The means and ends of one particular role may be completely incompatible with another role. Therefore, the amount spent on a funeral may reflect the role that the survivor's external support system deems appropriate, not the wishes of the survivor.

The Funeral Rule: Progress to Date of that the Funeral Rule has been in effect for less than two years, it is time for a preliminary observation of the Rule's viability in preventing or reducing the number of abusive marketing activities. The impact of the Rule has been studied by several associations within the funeral industry. We have conducted in-depth conversations with 14 funeral directors in the Midwest and Mid-Atlantic areas, and we have led two intensive focus group sessions involving consumer participants. Although some numerical measurements generated by others will contribute to our conclusions, our approach compares the hypothesized buy-sell constructs and conditions with everyday happenings in the funeral industry.

⁷⁶ Vanderlyn R. Pine and Derek L. Phillips, "The Cost of Dying: A Sociological Analysis of Funeral Expenditures," *Social Problems* (Winter 1970): 405-17

We were unable to determine the number of so-called "abusive marketing activities" or the number of alleged consumer victims of these abuses-that convinced public policymakers that consumers were being exploited. An ongoing longitudinal study by the Federated Funeral Directors Association (FFDA) indicates that, prior to passage of the Rule, 98 percent of the funeral buyers were satisfied with all phases of their transaction. An almost identical percentage of 1985 purchasers voiced their satisfaction.⁷⁷

One focus group consisted of people who had purchased funerals in 1985 and also prior to 1984. The consensus was that misrepresentations or irregularities by funeral directors were absent or minimal.

It is likely that the full disclosure and unbundling of prices have been of some value to both consumers and funeral directors. Written information about embalming and casket prices helps families who opt for immediate burial or direct cremation without an open casket viewing. Immediate burial and direct cremation are less profitable for funeral providers than traditional funerals requiring embalming and a casket. Despite minor increases in shopping activity by consumers and some redistribution of revenue among of- firings, it is unlikely that the provisions of the Rule have created substantial price competition among funeral homes. Time pressures and the family's emotional state will continue to discourage comparative shopping by bereaved consumers. There is little evidence of wide- spread misrepresentation in the funeral industry. Accordingly, it may have been more appropriate for the FTC to pursue individual violations rather than to regulate the entire funeral industry. Chairman James Miller considers this approach fairer and more efficient because well-run, honest companies would not be subject to harassment. Although an original intent of the Funeral Rule was to enable consumers to make better choices because more and better information would be available, much of the information has been ignored. Some funeral directors have been content to deliver pricing and other information without concern for its absorption and impact on consumer decision making. Others have been more conscientious about helping consumers process the information so that the selection of services and products correspond as precisely as

⁷⁷ Leroy E. Bowman, *The American Funeral: A Study in Guilt, Extravagance, and Sublimity* (Washington: Public Affairs Press, 1959):

possible with the families' needs and capabilities. In the matter cases, the information has been converted into consumer education so that purchasers have learned about the workings of the marketplace in the funeral industry. The impact on customer satisfaction and industry image has been positive, and funeral directors have become better marketers.

Although prearranged funerals have been available for years, the Funeral Rule has triggered unprecedented promotional activities in this area. For example, in 1984, Service Corporation International (SCI), the largest funeral and cemetery service company in the United States, had revenues of \$124 million while the face amount of prearranged contracts reached \$72 million.

Historically, individuals have resisted funeral preplanning because of:

- High mobility;
- Unwillingness to face one's own mortality;
- A reluctance to take actions which may appear to anticipate the death of a terminally ill relative; and
- An unwillingness to undergo expenditures for a future negative need that may result in the delay or avoidance of a desirable current purchase. SCI has responded to the first objection by operating or acquiring 284 funeral homes, 51 cemeteries, and 38 flower shops throughout the country. The fourth objection has been addressed by funding pre-need contracts through insurance policies or through trusts established with major banks. Thus, in numerous cases, the purchase becomes an interest-bearing investment rather than a current expense.

Consumer attitudes toward pre-arrangement seem to be more favorable as an indirect result of the Funeral Rule, which has triggered sizable pre-need advertising campaigns in many states. The promotions address objections by emphasizing that pre-arrangement (1) permits the consumer to deliberate over the precise services and casket that are desired and to compare competitive offerings and prices, (2) guarantees that the agreed-upon price will never rise, and relieves surviving relatives of the need to make a difficult future decision.

One of the most tasteful and effective promotional programs is The Facts of Life Program conceived by M. K. Jones & Co. on behalf of its clients, who are regional and local funeral homes. In fact, one print advertising campaign in the Washington, D.C., area generated nearly 500 inquiries.¹⁷ Preplanning of funerals will make consumers less vulnerable to time pressures, emotional strains, and guilt feelings. It will facilitate decision making by better informed consumers who are subject to little or no stress.

Consumer education programs by the FTC should include third parties—for example, clergy and physicians who can assist consumers in planning their own funerals and those of loved ones. Finally, the FTC should establish a telephone hot line to assist preplanners, bereaved family members, and third-party advisors. Although the Funeral Rule was introduced to protect bereaved consumers from exploitation by funeral directors, there is little evidence that widespread industry regulation is justified. Research suggests that the Rule has not been accompanied by substantial changes in consumer decision-making processes. There is, however, some evidence that consumer education programs have emerged to improve the image of the funeral industry.

A growing number of consumers already have responded positively to promotional efforts of marketers of prearranged funerals. These products offer remedies for the built-in problems facing buyers of traditional funerals: time pressures, emotional stress, and guilt feelings. Exposure to such a program may not always result in a purchase, but it normally will result in a valuable form of consumer education.

3.2 Introduction to the case company

The Prima Bottega brand⁷⁸, owned by the company Iniziative F.P. S.r.l., was born in the medieval village of Fossa, at the foot of the Gran Sasso d'Italia, as a reference brand in Italian Banking for everything related to funeral market products.

The brand, conceived by Gianluca Pacini, addresses the funeral market with a spirit of innovation, certainly in terms of renewal in style and trends, through customization, but

⁷⁸ <https://www.primabottega.it/>

also, and above all, in terms of manufacturing techniques and concepts. of the products offered.

The brand is characterized not only by the fundamental revolutionary vision of its creator, but also by the highly competent know-how developed over the years, also thanks to the family business in funeral services.

Prima bottega must be considered as a brand of the highest quality in the sector of reference, as, through different product and style lines, it manages to reach, through the intermediation of funeral services in Italy and Europe, even to the most demanding customers.

Turning a more in-depth look at the concepts proposed by the brand, it is observed that each creation is the result of an in-depth study that aims to excite the participants in the farewell ceremony, in particular, among the proposed and most successful styles, we find:

- Scigno del Cuore, which characterizes the product with small removable hearts, which can be extracted and kept as a souvenir, so those present can express their emotions and pay a final tribute to the missing person.

- Preghiera, looks like a decoration, in gold leaf, on which traditional prayers or dedications are reported.

- Affresco, a real wall base on coffins and urns where works in fresco technique are reproduced.

- Sigillo d'Amore, recalls the gold leaf technique applied to the Preghiera line, on which you can leave a written dedication by your own hand.

The ideas of decoration and style have thus innovated the schemes of the farewell ceremony, transforming it into a participatory event.

By their very nature, as is well known, the Brand's products are mainly purchased by companies that offer funeral services, which mediate the product to the end customer.

Prima Bottega is present throughout Italy and the highest number of sales are recorded in the central-northern areas; while as regards abroad, in Europe in particular, a strong response to the product is achieved above all in Germany; while, in the United States,

thanks to participation in sector events, the products are mostly purchased in the Latin American area and on the East coast.

3.2.1. Current business activity

As known, the above indications refer to the sales activity that the company carries out B2B, in which the commercial counterpart is always another business that deals with providing funeral services.

In particular, the Prima Bottega collections are characterized by combining the simplicity of carefully selected precious materials with the rigor of refined finishes.

The core values that make Prima Bottega a well-known and appreciated brand in Italy and abroad can be identified as follows:

- Tradition and innovation: Two fundamental elements of the company philosophy that interprets the values of contemporaneity by promoting radical innovation, in synergy with tradition and decades of experience.
- Cutting-edge technologies and patented systems: Prima Bottega products are the result of major investments in research and development, to guarantee industry professionals unique and indispensable items, all patented for invention and design.
- Made in Italy: the path to quality begins with the choice of wood, which since its origin has been combining technology with the patient and ancient history of the hand of man. It combines competence, passion and sensitivity up to the care of every detail.

The products made by the Brand are divided into four main lines: coffins, urns, expandable backdrops, and American coffins, which are all characterized by the choice of raw materials and the realization through the different styles developed by the Brand. The products are distinguished as below:

- The hoods are produced in different shapes and variants, with the use of a wide selection of materials. All the coffins are the spokesperson of a concept of customization that over the years has become an indispensable value for the company.

- The urns are a product with a modern and not obvious design, they represent the synthesis of form and essentiality, differently approached and declined by the designers, allowing a strong customization of the finished product.
- The expandable backdrops consist of modular walls, which can be assembled in 5 minutes thanks to a patented system, with magnetic attachments, resealable in a grid and transportable in a trolley bag. They are made with the quality of the Fresco technique on a real wall base and finished with a gold leaf coating applied by hand.
- The American coffins, with the lid that can be opened in half, as is the custom of overseas ceremonies, are the product that combines the sophisticated soul of these modern products with the great design of the past.

3.2.2 Marketing strategy applied

As noted above, marketing in the funeral industry may not always apply the same strategies used to market consumer products or essential goods.

Unlike what happens in the United States, where it often happens that the final consumer chooses his own function, including the coffin or urn, in Italian and more conservative culture it is difficult for this to happen. For this reason, the particularity of the marketing strategies in the reference sector lies in the interlocutor to whom they turn, that is to another business, mainly the agencies that offer the funeral service and that choose the product to be intermediated when requesting these services. .

In this regard, the Brand currently uses the exclusivity of the product and its quality combined with innovation as its main marketing key, since the sector has been largely invaded by low-quality consumer products from China.

Furthermore, the Brand adopts traditional communication strategies, such as sector magazines, and digital, through social media, such as Instagram, on which images of the details of the products traded and of the retailers using these products are posted.

Not only that, the communication of the brand also takes place at trade fairs in which particular importance is given to the approach to the customer, thanks to the consultation of the different product lines with digital catalogs and the assistance of sellers, who speak several languages, experienced and knowledgeable of the product; both through the choice and setting up of stands that enhance the product and emphasize its quality and personalization.

3.2.3 Competitor benchmarking

The company didn't make any personal study or benchmark regarding their competitor, so the investigation and the research of this study is made by observing others operator into this market.

In particular, a comparing was made on the products category, on their design and the communication strategy adopted by both of them.

L'azienda non ha effettuato personalmente alcuno studio di benchmarking rispetto ai propri competitor, per cui l'indagine svolta per questo studio si basa sulla ricerca e l'analisi svolta attraverso l'osservazione di alcuni competitor presenti nel mercato.

In particolare, il confronto è stato fatto sulla tipologia dei prodotti; design degli stessi e sulla comunicazione attraverso il sito.

3.3 Building brand identity for the urne product and B2C selling strategy

As mentioned in the introduction, the percentages related to the practice of cremation have increased significantly recently, with a growing trend in recent years. The data consulted date back to a study conducted by Istat in 2019, which found that Italy ranks fourth in Europe in the use of this practice. In particular, if we look at the data below, in which cremation concerns almost a third of deaths, we can understand the reason why, for the brand under study, it becomes important to emphasize its product in a context dominated by a certain standardization and above all characterized by a rather flat style and devoid of customization.

| | 2019 | confronto con 2018 | confronto con 2017 |
|------------------------|---------------------|--------------------|--------------------|
| inumazioni di feretri | 119.401 (18,82%) | 19,10% | 33,00% |
| tumulazioni di feretri | 320.362 (50,50%) | 51,97% | 42,69% |
| cremazioni di feretri | 194.669 (30,68%) | 28,93% | 24,31% |

Figura 1. Tabella riepilogativa statistiche ISTAT⁷⁹

It has been observed that the core values of the company under study are precisely the maximum search for quality and style that allow a product, such as the urn, to be as close as possible to the needs of those who approach this choice, for themselves or for loved ones.

It therefore becomes clear that the purpose of this work is to create a brand identity for a product that has a high value in differentiation from the existing market and a strong sales potential also towards final consumers, and which, therefore, allows to elaborate a marketing strategy that can be effective in attracting directly to the customer.

3.3.1 Branding process and guidelines

- choice of the name of the product name: MANEMECUM - As mentioned in the first chapter, the choice of the product name could be between meaningful and non-meaningful name. A meaningful name was preferred for this product, which in an eternal language such as Latin recalls the product and its function. In fact, the literal translation of the name means "stay with me", evocative of the possibility of keeping the remains of the deceased with you in a container that can discreetly allow them to be preserved.

It therefore becomes clear that the purpose of this work is to create a brand identity for a product that has a high value in differentiation from the existing market and a strong sales

⁷⁹ Available on <https://www.hermesfuneraria.eu/?p=4521>

potential also towards final consumers, and which, therefore, allows to elaborate a marketing strategy that can be effective in attracting directly to the customer.

- product design: from this point of view, the strength of the product is its essential design, which differs from the traditional shapes proposed by competitors. In fact, in observing this product, even in this case, we tried to basically evoke something familiar to each of us, a box of memories. The peculiarity, however, is precisely the customization that can be done on this object. Not only that, by choosing from the different lines proposed by the company, but within these the possibility of personalizing it with religious or secular themed images that can be adapted to the needs of those who buy. Furthermore, it is distinguished by the application of a different technique compared to the other urns that are on the market as regards the conservation of the ashes themselves, being provided inside the "memory box" in wood, there is a plexiglass container covered in gold leaf in which the ashes are placed.

all of this process entirely stands in order to guarantee the best experience to Prima Bottega clients.

3.3.2 Data collection and survey process: Reporting Key-Results

Regarding our reference market we have run a dedicated survey specifically designed to determine the focal points of the funeral market; we obtained stunning results and they will help us understanding the customer mechanics into this field.

The first step of the survey was entirely dedicated to understand how much consciousness people have in front of the most popular funeral products available; which resulted in a very deep awareness when it comes to the Urns and casket, with the first ones keeping on dominating, most of the times between young and mid-age consumer.

The survey also showed us how important is the role of advertising even into this market, which is full of different emotions, because most of the people knowledge was coming

directly from billboards on the streets: and they had quite a good understanding of all the different brands.

This means that the advertising field has a great impact even in funeral market which has really been left behind in terms of publicity just because of it's particular nature who tends to be strongly connected with emotions.

| Data registrata | Q1 - How familiar are you with funeral sector and his companies? | Q2 - Which of the following attributes do you associate with Funeral Homes adver... | Q3 - Where have you seen advertisements for Funeral Products? | Q4 - Which of these funeral products are you aware of? You can choose more than... |
|---------------------|--|---|---|--|
| 9 giu 2021 07:18 | I've heard of them, but never buy their products | Essential | Billboards | Urns |
| 7 giu 2021 08:41 | I've heard of them, but never buy their products | Modern | Billboards | Urns |
| 4 giu 2021 14:32 | 2 | Modern | Billboards | Urns |
| 4 giu 2021 14:31 | I've never heard of them | Modern | Billboards | Urns |
| 4 giu 2021 12:39 | I buy their products occasionally | Affordable | Newspaper | Coffins |
| 4 giu 2021 10:10 | I've heard of them, but never buy their products | Modern | Billboards | Casket |

Tab 2, data from a survey regarding funeral products, Qualtrics 2021.

3.3.3 Marketing strategy to sell to final consumers

Many product marketers fall into the trap of “selling the product, not the experience.” No one wants your product. No one wants any product. They want a solution to their problem.

Only talk about the benefits, features, and facts, and you're missing out on glaring opportunities for engagement. When you discuss these, you only engage Broca's and Wernicke's area of the brain.

These areas simply decode words into meaning. That's it.



Tell a story, and the game changes. When you do, and especially when your story features a character and intense emotions, you engage much more of the brain. In fact, you can put the whole brain to work.

For example, the limbic system bustles with activity when you describe emotions like love, hate, joy, anger, or sadness. When you discuss a lavender or cinnamon smell, the olfactory cortex goes to work.

It's easiest to communicate your product's value in memorable ways through storytelling. A 2012 New York Times article sums up research by cognitive scientist Veronique Boulenger (and many others) which concludes the brain:

“Does not make much of a distinction between reading about an experience and encountering it in real life; in each case, the same neurological regions are stimulated.”

The key to effective selling in this situation is what advertising and marketing professionals call a "unique selling proposition" (USP). Unless you can pinpoint what makes your business unique in a world of homogeneous competitors, you cannot target your sales efforts successfully.

Pinpointing your USP requires some hard soul-searching and creativity. One way to start is to analyze how other companies use their USPs to their advantage. This requires careful analysis of other companies' ads and marketing messages. If you analyze what they say

they sell, not just their product or service characteristics, you can learn a great deal about how companies distinguish themselves from competitors.

For example, Charles Revson, founder of Revlon, always used to say he sold hope, not makeup. Some airlines sell friendly service, while others sell on-time service. Neiman Marcus sells luxury, while Wal-Mart sells bargains.

Each of these is an example of a company that has found a Unique Product (from now on UP) on which to hang its marketing strategy. A business can peg its USP on product characteristics, price structure, placement strategy (location and distribution) or promotional strategy. These are what marketers call the "four P's" of marketing. They are manipulated to give a business a market position that sets it apart from the competition.

Sometimes a company focuses on one particular "peg," which also drives the strategy in other areas.

A classic example is Hanes L'Eggs hosiery. Back in an era when hosiery was sold primarily in department stores, Hanes opened a new distribution channel for hosiery sales. The idea: Since hosiery was a consumer staple, why not sell it where other staples were sold--in grocery stores?

That placement strategy then drove the company's selection of product packaging (a plastic egg) so the pantyhose did not seem incongruent in the supermarket. And because the product didn't have to be pressed and wrapped in tissue and boxes, it could be priced lower than other brands.

Here's how to uncover your USP and use it to power up your sales:

Put yourself in your customer's shoes. Too often, entrepreneurs fall in love with their product or service and forget that it is the customer's needs, not their own, that they must satisfy. Step back from your daily operations and carefully scrutinize what your customers really want.

The answer might be quality, convenience, reliability, friendliness, cleanliness, courtesy or customer service.

Remember, price is never the only reason people buy. If your competition is beating you on pricing because they are larger, you have to find another sales feature that addresses the customer's needs and then build your sales and promotional efforts around that feature.

Know what motivates your customers' behavior and buying decisions. Effective marketing requires you to be an amateur psychologist. You need to know what drives and motivates customers. Go beyond the traditional customer demographics, such as age, gender, race, income and geographic location, that most businesses collect to analyze their sales trends.

Uncover the real reasons customers buy your product instead of a competitor's. As your business grows, you'll be able to ask your best source of information: your customers. For example, the pizza entrepreneur could ask them why they like his pizza over others, plus ask them to rate the importance of the features he offers, such as taste, size, ingredients, atmosphere and service. You will be surprised how honest people are when you ask how you can improve your service.

Many retailers routinely drop into their competitors' stores to see what and how they are selling. If you're really brave, try asking a few of the customers after they leave the premises what they like and dislike about the competitors' products and services.

CHAPTER 4: PRIMA BOTTEGA and the *MANEMECUM* project

4.1. Introduction

After carefully considering, in the previous chapter, marketing in the funeral market, what are the emotional circumstances that lead the buyer to search for a funeral product or service and what are the guidelines of the FTC in this concluding chapters we build a launch program for the new product giving a continuation and a practical conformation to this elaborate.

The action is considered very appropriate especially in terms of communications to influence the attractiveness in the Italian funeral sector, in particular of the urn, thanks to the data that demonstrate a rapidly growing market. Cremation is growing at a rate of more than 10% a year and is the option chosen today for one in four funerals, with peaks of 80% in Milan and the minimum (2.5% of deaths) in Palermo. The difference between the regions is to be found not only on religious and cultural issues but an actual logistical obstacle as the crematory centers are few in the South and the lack of a framework law at national level. The legislation is part of the health legislation delegated to the individual Regions, so for example in Calabria you can not yet disperse the ashes while it has been done for years in Lombardy.

4.2 Project management

The definition of "project" according to the Project Management Institute is a temporary effort in order to create value, service or a single result. Each project is unique and differs from routine business operations because they reach their conclusion once the goal is reached, UNI ISO 21500 indicates the project as a single set of processes, composed of coordinated and controlled activities, with start and end dates, which are carried out to achieve the objectives of the project.

The classic features of a project are:

- Temporariness- the life cycle of a project begins with conception, continues with definition, planning, execution and ends with control. Each phase requires the allocation and use of specific resources that are usually greater in the initial phase and then decrease in the last phase. The same cannot be said for human resources, technical skills and competences as they will be crucial at every stage.
- Creating a unique product, service or results-
- Progressive processing- define in consecutive steps its development without being too rigid in its formulation as changes may be necessary during the work, for example in the embryonic phase the scope of the project is defined and as the knowledge on the sector develops it will be enriched with details.

The figure of the project manager is becoming increasingly important as project management and business performance are closely related, however we can really only talk about success when it contributes to creating value for the overall business of an organization.

The responsibilities common to all project managers are:

- Interact with stakeholders, suppliers, customers, end users
- Define and communicate project goals to the team
- Develop project plans
- Check, monitor, realize the project documentation
- Acquisition of project requirements – personnel, materials, technologies
- Manage and lead the project team
- Establish procedures within a project: risk management, issues management, change management, communication management
- Budgeting

The success of a project has several facets, often it is the result of good initial planning, integration with all the functional units of the different business areas and stakeholders. Communication between the parties is the premise for a success full project: "Without communication there is no efficient management and even life. The human being is a social creature, therefore he lives in a group, which requires a continuous exchange of information" (Wziętek-Staśko, 2011). In such a context, it is essential to understand that the need for a correct analysis of all stakeholders as well as of the entire internal organizational structure of the company becomes indispensable.

It is possible to research the foundations of a culture of project management since ancient times passing through different civilizations, the Egyptian pyramids, the Colosseum and the Great Wall of China remain testimonies remain of a good culture in design. The origins of the concept in modern terms are between the 1900s and 1960s, one of the founding fathers was the American engineer Henry Lawrence Gantt who in 1917 developed the Gantt Chart to make it easy to measure productivity levels. Initially the model was used to optimize the construction operations of a naval fleet during the First

World War but still today it is often used as a graphical reporting tool to project management.

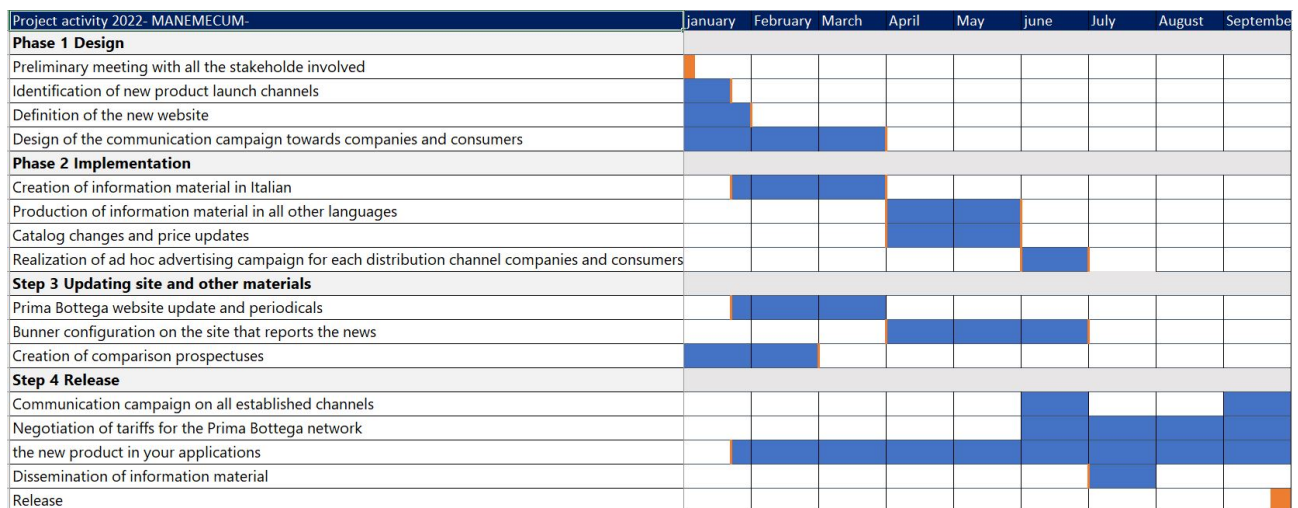
4.2.1 Gantt and *Manemecum* project management

The GANTT chart is a useful project management support tool as it shows the timeline of all planned activities in the short or long term.

The most important advantages of this model are greater clarity, overall vision of the project, constant monitoring of progress, clarity and better time management.

The representation mainly concerns the evolution of the project on a time scale, each bar represents an activity whose length is proportional to the duration of its realization with the various related phases.

After an internship spent at the Prima Bottega company where I collected and processed all the data, I made the following Gantt chart:



The 2022 project activity has been defined as follows:

1. Design- I planned a preliminary meeting with the stakeholders involved, identification of the launch channels, graphic definition of the site and the design of the communication campaign towards companies and consumers.

In this first phase, the meeting with providers, stakeholders and relevant business areas will be crucial in order to convey all the needs in a single plan.

2. Implementation- in this phase the project begins to take shape with the creation of information material in all languages, updating catalogs and prices, realization of the ad hoc advertising campaign for each B2B and B2C channel.

The underlying strategy for selling the product is above all to focus on the online world. E-commerce in Italy is experiencing a very strong growth, many experts speak of a turning point in digitization. 2020 has created a demand of millions of people who, previously, had never tried to shop online, but above all investments of many companies that have glimpsed in online sales a glimmer to manage the pandemic crisis. The market trend in recent months during which the obligation to stay at home has led to a strong change in purchasing habits around the world. This is what emerges from the e-commerce report, the propensity of the consumer to use the marketplace has benefited all sectors

3. Updating the site and other materials- in this period we will proceed with the IT area of the company (information technology) to manage all the IT part.
4. Release- the fourth phase involves the release of the advertising campaign, negotiation of tariffs with suppliers, configuration of the new product in the applications, dissemination of informed material.

The success of a project has several facets, often it is the result of good initial planning, integration with all the functional units of the different business areas and stakeholders. Communication between the parties is the premise for a successful project: "Without communication there is no efficient management and even life. The human being is a social creature, therefore he lives in a group, which requires a continuous exchange of information" (Wziątek-Staśko, 2011). In such a context, it is essential to understand that the need for a correct analysis of all stakeholders as well as of the entire internal organizational structure of the company becomes indispensable.

4.3 The psychology of color and choice for our product

Color psychology is the study of colors in relation to human behavior. It aims to determine how color affects our daily decisions. Studies show that colors affect 90% of consumers by influencing our emotions. Marketers who use the theory of those to create a new brand, a new product or even the layout of a supermarket aisle are aware of this!



As shown in the figure the main colors are seven, from yellow that evokes warmth and optimism to white that instills calm and neutrality.

The choice of colors for our products, in the light of what has just been said, and in full respect of the emotional state of the buyer, focused on a mix that wants to evoke understanding and tranquility for the prayer line while for the other products the choice fell on neutral and natural colors.

4.4 The product

The urns made by Prima Bottega are entirely with the best materials and 100% Made in Italy.



The urns Preghiera™ it is the most classic but in its simplicity it has been able to win a wide appreciation, so much so as to be perfected with the inclusion of gold leaf, in the texts and prayers that decorate it, to discourage the numerous imitations.



The urns “affresco” equipped of a material **effect** that embraces contemporary and modern aesthetics, they live on the material inspiration of stucco, ornamental fantasies and frescoes of other times: these qualities thus give them a formal, expressive or narrative result.



The urns Scrigno del Cuore® in addition to preserving love, told in the form of messages, they also allow you to keep a last object in memory of your loved one: a wooden heart removable from a series of 16 hearts of which the urn itself is composed.