

A man in a maroon polo shirt is standing in a grocery store aisle, examining two cans. He is holding one can in his left hand and another in his right hand. The shelves behind him are filled with various canned goods, including soups and vegetables. The lighting is bright, and the background is slightly blurred, focusing attention on the man and the cans he is holding.

# Chapter 31 Branding, Packaging, and Labeling

- **Section 31.1** Branding Elements and Strategies
- **Section 31.2** Packaging and Labeling

# Branding Elements and Strategies

## Key Terms

brand  
brand name  
trade name  
brand mark  
trade character  
trademark  
national brands  
private  
distributor  
brands  
generic brands  
brand  
extension  
brand licensing  
mixed brand  
co-branding

## Objectives

- Discuss the nature, scope, and importance of branding in product planning
- Identify the various branding elements
- List three different types of brands
- Explain how branding strategies are used to meet sales and company goals

# Branding Elements and Strategies

## Graphic Organizer

In a chart like the following, take notes on the branding process.



## Elements of Branding

### **brand**



A name, term, design, symbol, or combination of these elements that identifies a business, product, or service and distinguishes it from its competitors.

A **brand** ◀ is a name, term, design, symbol, or combination of these elements that identifies a product or service and distinguishes it from its competitors. Brands include elements such as:


- Brand and trade names
- Trade and brand marks, and trade characters

## Elements of Branding

### **brand name**



A word, group of words, letters, or numbers that represent a product or service; also known as a product brand.

A **brand name** , also called a product brand, is a word, group of words, letters, or numbers that represent a product or service.

## Elements of Branding

### trade name

A phrase or symbol that identifies and promotes a company or a division of a particular corporation; also known as a corporate brand.

A **trade name** ◀, or corporate brand, identifies and promotes a company or a division of a particular corporation.

## Elements of Branding

### **brand mark**



A unique symbol, coloring, lettering, or other design elements.

A **brand mark** is a unique symbol, coloring, lettering, or other design element. It is recognizable visually and does not need to be pronounced.

## Elements of Branding

### **trade character**



A brand mark that has human form or characteristics.

A **trade character** ◀ is brand mark that has human form or characteristics.

## Elements of Branding

### trademark



A brand name, brand mark, trade name, trade character, or a combination of these elements that is given legal protection by the federal government.

A **trademark** is a word, name, symbol, device, or combination of these elements that is given legal protection by the federal government. Trademarks are used to prevent other companies from using a similar element that might be confused with the trademarked one.

# Importance of Brands in Product Planning

The use of brands is important in product planning for several reasons:

- To build product recognition and customer loyalty
- To ensure quality and consistency
- To capitalize on brand exposure

#### WHAT'S A SIGNATURE WORTH?

There was a time when a signature was a pledge. It meant that you stood behind your work and were proud of it. In 1873, when people saw the Levi Strauss name on a pair of jeans, they knew they were looking at quality and durability. For today's families, his signature still guarantees the same thing.



From our family to yours.

Available at Target®

Visit us online at [LeviStraussSignature.com](http://LeviStraussSignature.com) or call 888-411-LEVI.



## Generating Brand Names

Companies will generate brand names by using specialized computer software, or by hiring:

- Branding agencies
- Naming consultants
- Public relations firms

Levi Strauss is the name of a specific brand of jeans.

# Types of Brands

There are three classifications of brands, one for each type of company that brands its products:

- National brands (manufacturers)
- Private distributor brands (wholesalers and retailers)
- Generic brands

## Types of Brands

### **national brands**



Brands that are owned and initiated by national manufacturers or service companies; also known as producer brands.

**National brands** ◀ are owned and initiated by national manufacturers or by companies that provide services, such as:

- Hershey
- Whirlpool
- Ford

## Types of Brands

### private distributor brands



Brands that are developed and owned by wholesalers and retailers; also known as private brands, store brands, dealer brands, or private labels.

**Private distributor brands** ◀ are developed and owned by wholesalers and retailers. The manufacturer's name does not appear on the product, for example:

- Wal-Mart's George
- Radio Shack

# Types of Brands

## generic brands



Products that do not carry a company identity.

**Generic brands** are products that do not carry a company identity. They are generally sold in supermarkets and discount stores.

Companies that manufacture and sell generic brands do not heavily advertise or promote these products, and therefore they can pass on savings to customers.

# Branding Strategies

Some branding strategies used to meet sales and company objectives are:

- Brand extensions
- Brand licensing
- Mixed branding
- Co-branding

## brand extension



A branding strategy that uses an existing brand name to promote a new or improved product in a company's product line.

## Brand Extension

**Brand extension** ◀ is a branding strategy that uses an existing brand name to promote a new or improved product in a company's product line.

This strategy's risk is overextending a product line and diluting the brand with too many products.



# Brand Licensing

## brand licensing



A legal authorization by a trademarked brand owner to allow another company (the licensee) to use its brand, brand mark, or trade character for a fee.

**Brand licensing** ◀ involves a legal licensing agreement for which the licensing company receives a fee, such as a royalty, in return for allowing another company to use its brand/brand mark/trade character.

## Mixed Brands

### **mixed-brand**

Selling a combination of manufacturer, private distributor, and generic brands.

Some manufacturers and retailers use a **mixed-brand** strategy to sell products. They offer a combination of manufacturer, private distributor, and generic brands. For example, a manufacturer of a national brand might agree to make a product for sale under another company's brand.

# Co-Branding

## co-branding

A combination of one or more brands in the manufacture of a product or in the delivery of a service.

A **co-branding** strategy combines one or more brands in the manufacture of a product or in the delivery of a service. It can also happen when two or more retailers share the same location.

# Packaging and Labeling

## Key Terms

package

mixed  
bundling

price bundling

blisterpacks

aseptic  
packaging

cause  
packaging

label

brand label

descriptive  
label

grade label

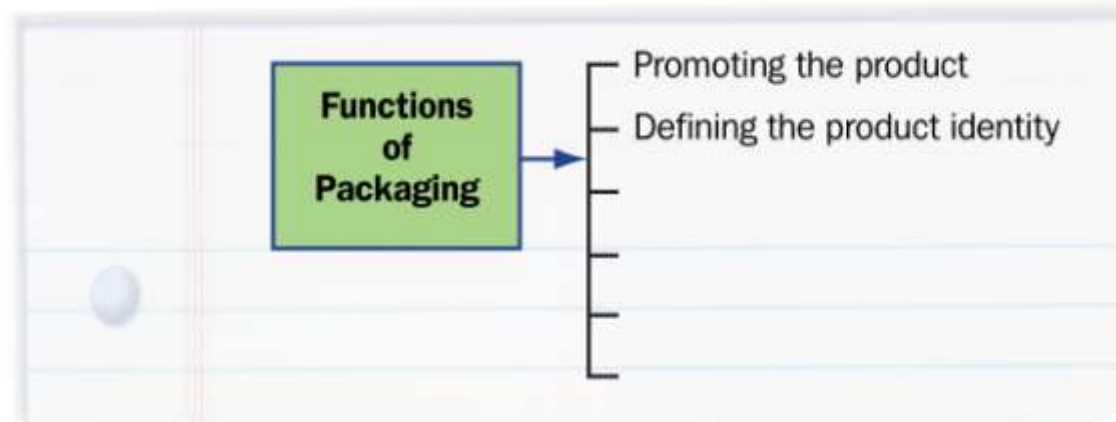
## Objectives

- Explain the functions of product packaging
- Identify the functions of labels

# Factors Involved In Price Planning

## Graphic Organizer

In a chart like this one, take notes about the functions of packaging.



# Packaging

## package



The physical container or wrapping for a product.

A **package** is the physical container or wrapping for a product. Developing a product's package is an integral part of product planning and promotion because the package is a selling tool.

# Functions of Packaging

Packaging fulfills several functions, including:

- Promoting and selling the product
- Defining product identity
- Providing information
- Expressing benefits and features
- Ensuring safe use

# Functions of Packaging

## **mixed bundling**



The practice of packaging different products and services together.

## **price bundling**



Two or more similar products are placed on sale for one package price.

Sometimes multiple complementary items are bundled together in one package. The practice of packaging different products and services together is known as **mixed bundling** ◀.

**Price bundling** ◀ occurs when two or more products are placed on sale for one package price.

# Functions of Packaging

Attractive, colorful, and visually appealing packages have promotional value and can carry important messages about the product's performance, features, and benefits.

# Functions of Packaging

Packages often promote an image such as prestige, convenience, or status. They also give directions for using the product and information about:

- Contents and nutritional value
- Product guarantees
- Potential hazards

# Functions of Packaging

Packaging comes in different sizes to meet the needs of different market segments, from individuals to families.

# Functions of Packaging

Packaging can help improve product safety for the customer. Many products formerly packaged in glass now come in plastic containers. To encourage customer safety, goods such as non-prescription drugs, cosmetics, and food items are sold in tamper-resistant blisterpacks.

## Functions of Packaging

### **blisterpack**



Packaging with preformed plastic molds surrounding individual items arranged on a cardboard backing.

**Blisterpacks** ◀ are packages with preformed plastic molds surrounding individual items arranged on a backing.

# Functions of Packaging

Packaging needs to protect a product during shipping, storage, and display. The package design should also prevent or discourage tampering, prevent shoplifting, and protect against breakage and spoilage.

# Contemporary Packaging Issues

Packaging gives companies the opportunity to incorporate the latest technologies and address lifestyle changes as well as environmental, social, and political concerns.

## Contemporary Packaging Issues

### aseptic packaging



A food storage process that keeps foods fresh without refrigeration for up to six months.

**Aseptic packaging** involves separately sterilizing the package and the food product, and filling and sealing the package in a sterile environment. Canning and bottling are examples of this method, which keeps food fresh for up to six months.

# Contemporary Packaging Issues

Companies are trying to develop packages that respond to consumer demand for environmentally sensitive designs. Many companies that manufacture spray products have switched to pump dispensers to cut back on the release of ozone-damaging chlorofluorocarbons (CFCs).

# Contemporary Packaging Issues

## cause packaging



Packaging that is used by companies to promote social and political causes.

**Cause packaging** ◀ involves using packages to promote social and political causes. The issues on the packages may be totally unrelated to the products inside.

# Labeling

## label



An information tag, wrapper, seal, or imprinted message that is attached to a product or its package.

A **label** ◀ is an information tag, wrapper, seal, or imprinted message that is attached to a product or its package. Its main function is to inform customers about the product's contents and give directions for its use.

# Labeling

There are three kinds of labels:

- Brand
- Descriptive
- Grade

# Labeling

## **brand label**



Label giving the brand name, trademark, or logo.

The **brand label** gives the brand name, trademark, or logo. It does not supply sufficient product information.

# Labeling

## **descriptive label**



A label that gives information about the product's use, construction, care, performance, and other features.

A **descriptive label** ◀ gives information about the product's use, construction, care, performance, and other features.

# Labeling

## **grade label**



A label that states the quality of the product.

A descriptive label includes date and storage information for food items. Instructions for proper use and product care are provided on nonfood items.

A **grade label** ◀ states the quality of the product.

# Labeling

The Fair Packaging and Labeling Act (FPLA) of 1966 established mandatory labeling requirements. The federal Nutrition Labeling and Education Act enacted in 1994 requires that labels give nutritional information on how a food fits into an overall daily diet.

# Labeling

Health claims on food items are monitored by the U.S. Food and Drug Administration (FDA), which also requires that manufacturers of certain products place health warnings on their packages.

# Labeling

The Federal Trade Commission (FTC) monitors labels and advertising for false or misleading claims.

The U.S. Department of Agriculture (USDA) issues legal standards and certification requirements for organic labels.

## FOCUS on KEY POINTS

### Section 31.1

- A brand is a name, term, design, or symbol (or combination of these elements) that identifies a product or service. Brands can include a number of elements, such as a trade name, brand name, brand mark, trade character, and trademark.

continued

## FOCUS on KEY POINTS

### **Section 31.2**

- The functions of packaging include promoting and selling the product, defining product identity, providing information, expressing benefits and features to customers, ensuring safe use, and protecting the product.

continued



This chapter has helped prepare you to meet the following DECA performance indicators:

- Explain the nature of branding.
- Describe the uses of grades and standards in marketing.
- Explain the use of brand names in selling.
- Describe factors used by marketers to position products/businesses.
- Orient new employees.