PRODUCT BRANDS AND TRADEMARKS

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In developing and managing products, companies must make decisions about branding, packaging, and labeling — three factors that affect the buyer's perception of the product. These elements are particularly important in consumer goods. Manufacturers of industrial products, are concerned about product identification. That is why branding ranks the first in the list.

A brand is a way of identifying a product through a unique name or design that sets the product apart from those offered by competitors. Tide, Oldsmobile, and Bic are brand names. McDonald's golden arches, the Jolly Green Giant, the Pillsbury doughboy, the AT&T globe, and the Prudential rock are brand symbols.

Brand names may be owned by producers of a product as well as by wholesalers and retailers. Sears Roebuck, for example, buys appliances from many manufacturers and sells all of them under its Kenmore brand. A&P, the supermarket chain, purchases canned fruits, jellies, rice, household cleaning products, and frozen foods from hundreds of different suppliers and offers them under the Jane Parker, A&P, and Ann Page brand names. Brands owned by national manufacturers are called national brands. Brands owned by wholesalers and retailers, such as Sears and A&P, are private brands.

As an alternative to branded products, some retailers also offer generic products, which are packaged in plain containers bearing only the name of the product. These products are most often standard rather than first quality. They cost up to 40 percent less than brand-name products because of lower quality, plain labels, and lack of promotion. Generic goods have found a definite market niche, as a look at your local supermarket shelves will demonstrate. However, sales of generics have declined since 1982, partly because inflation has moderated, partly because consumers are disappointed with the uneven quality, and partly because brand-name producers have fought back with cents-off coupons that reduce the generics' cost advantage.