

# Impact of Branding and Advertisements on Sales

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**Abstract**— Branding is a vast topic in marketing field. There are many aspects of branding that will affect the buying decision of a consumer. Branding in general and advertisements in specific have a significant impact on the buying power of the consumers, in-turn the sales of the company. This paper describes a detailed list of factors related to branding and buying habits of the consumers that affect the sales of a product. The factors are analyzed in a generic sense with several examples of global companies and how they use different factors of branding and awareness to attract consumers. The factors influencing the buying behavior and how they affect the overall behavior of the buyer is the core contribution of this paper. This paper also offers insights to the researchers working in the field to understand the depth of branding and how it influences the revenue of a company

**Index Terms**— Marketing, Branding, Advertisements, Sales

## I. INTRODUCTION

Branding has been a hot topic of research and debate among organizations of all types since a long time. Branding has been considered very important for the way the company and its principles reach its customers. Brand image is one of the most important aspects of the marketing industry that is connected to every other business aspect of the organization. The way consumers perceive the brand image and the product depends on how the company presents itself with advertisements and branding concepts. The buyers' decision is largely impacted by the way the product and the company are perceived and felt by the customer.

There are two aspects of branding. Branding can be connected to the financial aspects of the company in which case it is called brand equity. On the other hand, if the branding is related to the non-financial aspects including the satisfaction of the customers towards the brand, it is called brand image. These two aspects are very important for any company. These terms are the topic of research of this paper. The connection between the financial and non-financial aspects of branding and the way it impacts the consumers and their buying habits is the outcome of this research paper. Various aspects of the branding are discussed including the research angle and the contributions in the literature, the connection between the terms are analyzed and presented in the remaining part of this paper.

## II. LITERATURE SURVEY

Branding is not a new concept. There are various types of analyses and interpretation of branding in different literature studies. Brand management is the term used in the literature that includes all the aspects and concepts related to building and managing the brand reputation. The concepts here are

discussed in a generic sense that is applicable to any field and brand.

The importance of branding and brand image grew widely in the last century. There were various theories and practices that established the connection between branding and sales. However, there are deeper meanings and analysis of brand with the available research. The following points present the different ways branding is perceived by consumers and company. Various research papers and material has been referred to compile the understanding of brand and its connection between financial and non-financial aspects.

Brand loyalty is the term that determines how well a consumer is used to a brand and how often he repeatedly buys the product from the same brand. It is said that customer retention is a crucial and often expensive task for any company. The important aspect of consumer behavior is loyalty. The market share of the product is directly related to the number of loyal customers a brand can maintain. It is proven that it takes more than 8-10 times the expenditure to get a new customer for any brand. Therefore, the return on investment for a repetitive customer is more. The overall success of a company or brand is dependent on how consistently it performs despite competition. Thus, the loyal customers are directly influential on the overall sales and the brand image of the company. [2] Recognition is another attribute of a brand that is important and influences the decision of the consumer. The way a consumer feels and gets recognized due to the use of a product from a particular brand decides how loyal he can be to the brand. It is well perceived in many developing and developed countries that the social recognition and status quo is measured by the way people use the brands. It defines the very nature of the person and gives recognition in society. Status brands are the term used when a person uses certain expensive brands to maintain social status. The way certain brands are perceived is as important for the brands and the companies. Customer loyalty is directly related to the branding and in-turn to the business of the company [2].

Brand awareness is another aspect which is required for any company and the consumers. The way people perceive the brands depends on how the products and the company advertises and markets themselves. The way companies present themselves in different ways is in synch with the perception of the customers. It is obvious that the customers have a lot of attributes towards a brand. The perception could be positive, negative, or even neutral. However, the positive way brands and products are projected to the customers directly dependent on the sales of a product. Customer loyalty and other aspects of branding are contributors to the same. It is a relationship between the customer and the brand that will be converted later into sales and business for the company. However, the important part of this relationship is branding. The aspects of cost, advertisements, variations of the product, availability, practicality, etc. play significant roles in deciding the buying decision of the customer. The sense of association

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with the brand and the way customer embraces the feeling is the part this paper enhances regarding brand awareness [3]. The customer behavior and perception of a brand greatly depend on the attributes of the customer such as age, gender, financial status, location, etc. The responsibility of any company in maintaining brand awareness is to ensure that the tastes and wishes of all the types of customers are fulfilled and brand loyalty is retained. It is found that the females have more attachment towards the brands and their loyalty as it is perceived as the status quo. The age of the customers also affects a lot; younger generation is more aware of the brands and how they want to present themselves to the friends and family. The older generation also has strong connection when it comes to brand loyalty. There are customers who get used to the brands and continue usage for many decades. The brand is a collective term used for the quality, price, durability, design of the product. Customers attach a certain image for each brand. This image is usually retained for a long time. Thus, the way customers are attached to the brand is what retains the sale [4].

In the research section of the paper, a number of factors that affect the brand and influence the sales are listed and described.

III. RESEARCH AND ANALYSIS

**Consumer** – Consumer is the most important part of the business for any organization. The consumer should be perceived at different levels by the company to ensure he does not deviate from what the company is advertising through its brand and products. There are many literature articles that provide information on how branding and consumers are related. The perception of the consumers towards brands and the different attributes towards the same is the subject of many studies [5][6].

The consumer has various attributes including the attitude, perception, image, principles, etc. which are always attached to any brand. These attributes are different for each consumer. The buying habits of a consumer are largely dependent on a unique combination of these attributes. The attributes of the product should match that of the consumers, upon which the consumers decide to buy the product. There are hidden symbols and meaning behind every product which are related to consumer. These hidden messages and subconscious detailing also play important role in branding [6]. The opinion and other cognitive aspects of the consumer is another aspect to be studied in understanding the aspects of branding.

**Branding** – The concept of branding is a large concept in business. In this section, a few important categories and factors are listed and discussed. The list is not complete; only the most important aspects within the scope of this paper are discussed. The connection between the Branding and Buying Decision is how the design is presented. The connection and some of the factors are shown in figure 1.

**Demographics** – Demographics is the geographical identity of the customer. The place customer lives will have a particular age, gender, language, culture, weather, and social behavior. Does any of these aspects affect the branding and the buying decision? Absolutely. The customers are identified with the demographical identity. The customers who are immigrants also get accustomed to the local area in a short time. Thus, it is important that the branding of a company reflects the factors of demographics in a large way. Age of the customer influences the brand knowledge and thus the buying decision. The younger generation is now accustomed to newer brands since the global brands available are able to offer them good designs and quality. The younger generation also gets attached to the brands easily though there is a large portion of the segment who would try out new brands often. Thus, the brands target the younger generation often and attract them in the first place. The young customers are also the first target for the companies because they are willing to try out new products and services. It is a common business practice in recent times that the brands are offering every convenience to the generation who is trying out new things. This is also a reason not every product and service are available in every part of the country. Metropolitan cities and young generation are the most preferred demographics for the brands [7].

**Brand awareness** – It is important that the companies keep the brand awareness of their products high at all times. This is one reason why even the most popular brands advertise on a daily basis on their products. This is a common practice in the Fast Moving Consumer Goods (FMCG) sector where the competition is high and the products yield good profits. In the case of such products, the company always works on maintaining brand awareness. The customers should never feel low about the company in any aspect. It could be quality, design, creativity, availability, or any other specific requirement. The large organizations struggle to keep up with the competition and also work on the research of the products so that the customers never feel out of style or product. It is also important that the company creates a strong positive impression of the brand among the customers. This impression is important for any brand because the customers are forced to think about other products and also deviate their buying decision if the impression fades. This is one reason brands advertise of FMCG products every day on digital media. It is not that they introduce a new product every day but they want people to remember the name of their brand when they think about a product. For example, Colgate has made strong impression among large population of India that people think about Colgate when it comes to oral care products.

Another aspect of brand awareness is the cognitive and psychological aspect of brands that influence consumers. Every brand is unique has a philosophy that it uses to represent itself. A few examples can be discussed on this concept. People who eat at McDonald’s are perceived as cool

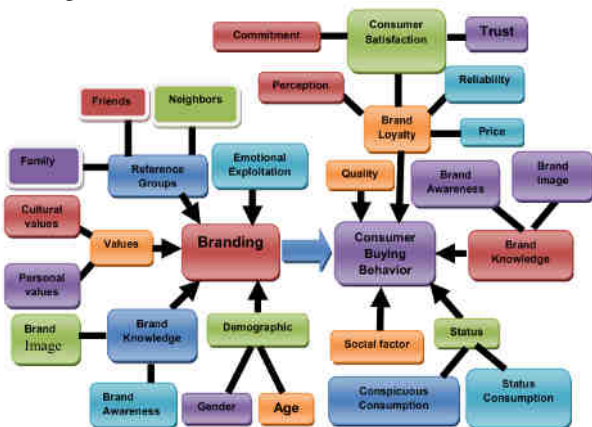


Figure 1. Factor influencing the buying behavior

and modern guys who are willing to try western food. People using Wildcraft products are perceived as the ones interested in adventures and use rugged products. Coca-Cola has created an image among people that the drink is refreshing and keeps you cool under any circumstances. There are many such examples in every field. These brands try and maintain their image in the same way for a very long time. Any competitor in the same field should try and come up with any other unique point to represent themselves. The global giant companies are popular for maintaining their brand image in a big way. Coca-Cola, McDonald's, Starbucks, Domino's, Amazon, Adidas, Nike, Nestle, Kellogg's, are some of the examples in different fields that are unique in their branding and advertisements. It is evident that these brands have created such as strong impression among the customers that are long-lasting, they are not ready to quit using their brands unless it is a strong reason [9].

**Values** – Each company has a particular set of values and principles they would like to show off and want their customers to perceive. These values may or may not reflect in their business model but definitely appeal to the customers regularly. The buying decision of a customer is directly related to how well these value match with theirs. Both young and old generation give significant importance to the brand and buy the products when their values match with that of the brands. This is related to the brand awareness aspect of branding. As per the previous example, it is obvious that a consumer with interests in adventure activities prefer Wildcraft products because both customer and the company give more values to the activities.

**Reference** – One of the most influential factors is the references from the close family and friends. This factor can alter the buying decision altogether because the customers firmly believe that the recommendation or reviews from a close friend or family member are more important. This concept comes from the fact that our friends and family members share most of our interests. Brands offer discounts and attract the customers along with their family members or friends for the same reason. It is easy to influence the buying decision if the referral is from a close person who shares similar interests.

**Attachment** – Brand loyalty can also be termed as the attachment of the consumer towards a particular brand. The attachment could be due to any of the factors that reflect the interests of the consumer. Brand loyalty drives the company and its revenue to a large extent. This is the reason brands often try hard with advertisements to retain the customers. It is very expensive to get a new consumer compared to retaining an old one. Therefore, brands spend large amounts of money on advertising their products to the old consumers that attracting new ones. This concept can be reflected in the advertisements of the brands which stress on the point that millions of people are happy using the product for several years/decades.

**Buying decision** – The branding concepts usually define how well the companies design the strategies for branding that influence the buying decision indirectly. However, there are certain aspects that affect the decision directly. These aspects are more influential on a consumer compared to the indirect

effect. Thus, brands use various methods and strategies to attract consumers in this way. The psychological aspect of the buying decision is rooted in human mind. Buyers prefer the brand for known and unknown reasons. The known reasons can be addressed directly by the brands whereas the unknown reasons can only be influenced generally. A brand advertising for their quality using scientific evidence is an aspect of brand/product knowledge whereas attaching a brand or product with emotion is an indirect way to address the unknown reasons of the buyer.

**Brand knowledge** – The more a consumer knows about the product, the more chances he may buy the product. Brands have known this fact for long time. This is one major reason why brands advertise the most important aspect of their product and educate the consumers on that particular point. For example, Ayurveda has always been associated with health and natural remedies. Thus, brands use the word Ayurveda and Herbal to trigger the knowledge of consumers. They highlight such words to plant an idea in the minds of consumers that their brand is also associated with the same factors as that of Ayurveda. The concept of brand knowledge has also been excessively in advertising many products in which scientific evidence is shown and advertised to prove their quality. The buying decision is directly influenced by the data and knowledge of any brand/product. For example, cars often use the safety rating from a global authority to prove their cars are the safest. This is the brand knowledge on cars that every consumer will be attracted to. Companies always keep their brand image new and fresh based on the available knowledge of the products. Also, the companies keep updating their knowledge of the consumers and attract them.

**Status** – One of the approaches companies use to market themselves and their products are by creating a sense of status for the consumer if they use their products. Global companies have always preserved the status of their brands with unique advertising and status. Their advertisements have created such as image that the use of a particular product will keep your social and financial status above in your society. For example, brands like Armani, Louis Vuitton, Rolex, Rolls Royce, etc. have created a feeling among the consumers and common population that their products are unique and the best in the world. Also, using their brands gives users a great sense of pride and status in society. This status aspect and branding has a very strong connection. There are brands in each segment that reflect a unique status to the users [8]. These companies use branding and pricing to keep their products unique and always as a dream for the consumers.

#### IV. FINDINGS

The relationship between the factors that affect branding and the buying decision of a consumer has been observed. The findings have been presented in this section. The qualitative analysis of several available research materials offers the following findings.

**Brand Knowledge** – The effect of brand knowledge and how it influences the buying decision of the consumer has been analyzed and it was found that there is a strong connection between these two factors. The findings also present a strong point and prove that the factors of brand image and brand awareness together constitute brand knowledge. The

consumer perceived brand knowledge as reliability. More the consumer knows about the brand in terms of knowledge and image, he perceives the product to be reliable. This finding also connects why the consumer is loyal to certain brands. The sense of reliability is a strong influence of the consumers to buy any product.

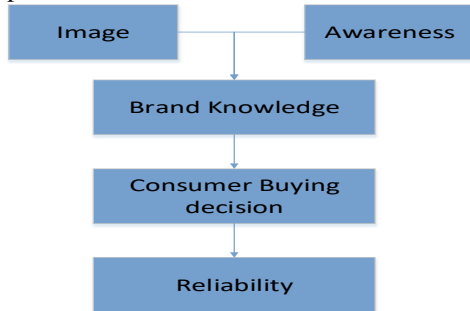


Figure 2. Brand Knowledge influencing the buying behavior

**Referrals** – The referral power of the branding has also been proven to be influential in the surveys and other studies. The influence of the referrals in the form of friends, family members, neighbors is also strong and influences the decision in the form of social factors. Buyers influence society and also get influenced by society. The referrals factor creates a social pattern of buying. It is so strong it can influence a large number of buyers to buy or reject particular product or brand.

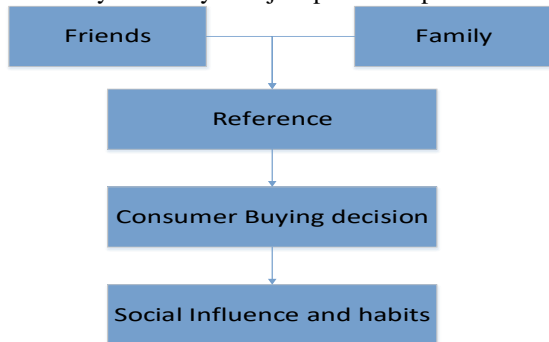


Figure 3. References influencing the buying behavior

**Demographics** – The buying behavior is largely influenced by the gender and age of the buyers determines how the status of the brand is perceived. The status of the person is perceived as how well he/she wants to present to society. This perception is significantly influenced by the age and gender factors of the buyer. Thus, the demographic factors also act as influence and also lead to social influence in the form of status. Brand awareness and advertisements have several factors that can influence the sales and the revenue of the company.

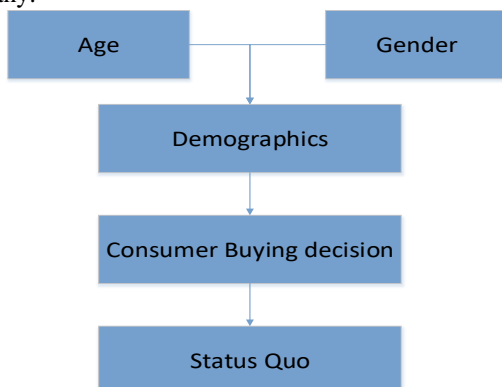


Figure 4. Demographics influencing the buying behavior

CONCLUSION

Branding is an integral part of marketing any business. There are various aspects of branding that can, directly and indirectly, influence the buying decision of a consumer. This paper presents a detailed analysis of the factors that impact the sales of a product with respect to branding of the product/company. Different factors are discussed in-depth and the discussion also presents the results in the form of qualitative analysis. The analysis is based on the research literature and the methods used in the research. This paper is limited by the quantitative analysis in the form of a survey to further prove the results with a large number of samples.

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