

## Role of Foreign Trade Marks In India

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Branding is the practice of giving a distinctive identification – usually a name, symbol or design – to a product or range of products and through usage and promotion establishing this identification in the marketplace. In the market driven economies today, brand names are an important source of product differentiation and non-price competition, particularly in the consumer goods sector. Brand names may be seen as the source of information about the products. It also plays an important role in the firm's communication process. A name also plays an important part in an advertising campaign and can be used to position a product, introduce a new characteristic, indicate a product benefit or use, or create a personality for the product. Besides, it helps inform the consumer as to the products available in the market. A brand name is thus an important asset for a company and should be carefully protected, frequently by having it designated as a trade name.

Increase travel, media overlaps between markets and the economies of production and distribution are increasingly leading to the dominance of international brands at the expense of local ones. Foreign brand names have a special appeal for consumers in developing countries like India. The attractiveness of foreign brand names assures a sizable market share for the product. The consumers associate the foreign brand names with tastes and consumption habits of developed countries whose way of life has a strong influence in developing countries.

### Objectives of the study

The purpose of the present study among others, is to determine consumers attitudes towards the use of foreign brand names in India. Specifically stated, the study has following objectives:

- 1 To understand the concept, use and strategies of foreign brand names in India.
- 2 To discuss the role of foreign brand names in India.
- 3 To ascertain consumers perceptions about the impact of foreign brands on Indian economy in general and the consumer in particular.
- 4 To measure the extent to which the psychographic and demographic factors affect consumers attitudes towards foreign brands.
- 5 To find the impact of consumers ethnocentric tendencies on their attitudes

towards foreign brands.

- 6 To understand the legal framework existing in relation to trade marks in India.

### **Research design and methodology**

The concept, use, role of foreign brand names and theory of about consumer perceptions is basically referred from secondary sources of information such as articles and text books. The journals studies for this purpose include – Journal of Marketing, Journal of marketing research, Journal of advertising research, Journal of academy of marketing science and Journal of international business studies. After laying down the theoretical framework about consumer perceptions, the next phase of the research is to test the theory empirically.

The primary data in the form of the response of the sampled units is collected through a structured and disguised questionnaire. The research methodology as used in the present survey is basically the same as that adopted by Sharma, Shimp and Shin (1995). However, requisite changes are made as and when required.

In order to ascertain consumers perceptions about the impact of foreign brands, to measure the extent to which psychographic and demographic factors affect consumers attitudes towards foreign brands and to find the impact of consumers ethnocentric tendencies on their attitudes foreign brands, a number of variables have been tested by various statistical techniques

The data collected is then recorded and analyzed with the help of various statistical techniques. The analysis phase started with the reliability testing of the scales that are developed in the course of the study. Afterwards the analysis is based upon statistical techniques such as frequency distribution, measures of central tendency, measures of dispersion, correlation analysis and analysis of variance.

### **Major findings of the study**

Without brand names marketing by enterprises and shopping by consumers both would be impossible. Based on value the brands hold out to consumers, the consumers make their purchase decisions. It has been seen that when consumers make a decision about brand and its associations, it is their loyalty to that brand. They continue to buy it in the future, and recommend it to friends and choose their preferred brand over other brands, ignoring other brands some of which may have better features or lower prices. For this reason consumers perceptions are important in relation to brand marks in general and foreign trade mark in particular.

For enterprises, brand name in business opportunity and each brand can be developed as a separate profit center. Life cycle of foreign brands has been sufficiently long to give their owners feedback and experience about the consumers in the markets of at least two countries which may run to 5–6 countries and in the case of international brands like Coke, Lux, etc, an exposure of more than 100 countries.

It is the brands and advertising which have consolidated the smallest unit of market through national to global markets introducing large scale production and economies of scale. It is the brand advertising which sustains culture industry world over with important spin off activity in glamour trade. An advertising clip of a brand produces different results in the audience; at times a person may think of making money by competition in manufacturing, another might think of opening a sale outlet of the product, somebody might come up with an idea to improve the efficiency, quality or utility of the product and still another may come up with a cheaper version of doing the same thing.

The MNCs because of the vast resources and promotional efforts, have been able to build up international reputation for their brand names. Most of the popular brands are in the possession of MNCs; understood other way if you have a successful brand, you are likely to become a multinational. They have been using brand names for marketing their products in the domestic as well as foreign markets. The maturity process of a trade mark into a foreign trade mark, per force builds an edge in the foreign trade marks over their domestic counterparts.

The foreign trade marks play an important role in facilitating introduction of new products and ensuring high quality products to the consumers. They contribute to the upgradation of the quality of domestic products through increased competition. The success of MNCs in profit maximization and wealth generation has been attributed to their twin possessions – marketing tool in brands, protected in law as trade marks and inventions resulting from R & D, protected as patents.

The study has given us an insight into various practices, strategies and methods of foreign trade mark owners. Our broad conclusion is that they have been successful in the profit maximization goal as an enterprise, they bring important benefits to the society, they make important contributions to the quality and standards of living wherever they operate, they help raising the income levels for their managers and employees and dealer net works. They help technological upgradation and advertising techniques. They finance the entertainment and culture industry and provide employment opportunities.