

MARKETING

# The brand manager system

In the brand manager system an individual is assigned a product and given responsibility for developing and implementing a marketing plan so as to meet agreed performance targets. The terms brand manager and product manager are used interchangeably in the marketing literature. However the title of brand manager is more appropriate to someone who is responsible for a branded consumer packaged good. Historically brand management was seen as the embodiment of the marketing concept. Its first implementation was probably by P&G in 1931 but it was not until the 1950's that it picked up steam in the USA reaching its peak in the mid-1960's. In Malta there are a number of firms, particularly those that operate in the beverage and foodstuff sectors, that operate the brand manager system. One of its main advantages is that it enables multi product companies to give focus to individual products.

**Single or multi brand responsibility**

One interesting departure often encountered in Malta is that brand managers are often responsible for not just one brand but for a group of brands. Undoubtedly this is determined by the size of the local market that cannot support an individual brand manager for each brand. One of the major rationales for the development of the brand manager system has been, the need to analyse brand data in depth. Brand managers used to devote a considerable proportion of their time in collecting and analysing sales data for the brand that they were responsible for. However the improvements registered in IT in recent years has meant that much of the analysis can be performed a great deal faster and brand managers can more easily cope with more than one brand.

**Responsibility without authority**

Organisationally speaking the brand manager's position is an organisational anomaly in that one is given responsibility without

*Brand managers are not glorified co-ordinating clerks but miniature general managers for a particular brand exhibiting flair, entrepreneurship, drive and creativity, writes Albert Caruana.*

authority. Responsibility for profitability can be hampered by not having the authority to obtain compliance from the other functional areas on which the brand's profitability depends. One's only authority is derived from one's competence and leadership. One's effectiveness will depend on respecting organisational relationships. He/she is in effect the brand's champion. The brand manager system will not function effectively if the brand manager does not understand his/her role and its limitations sufficiently.

The brand manager's position has tended to be used as the first recruiting rung into the marketing department. Not surprisingly, the young manager eager to make his mark may be tempted to focus on short term results. For various reasons, in Malta the rate of turnover in such positions is somewhat lower than that experienced overseas. This is not necessarily something bad. A brand targeted at a young consumer may benefit greatly from having a continuous stream of young persons who are responsible for it. However, there is much to be said

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for a more mature brand manager when one is targeting at a more mature customer.

**Need for entrepreneurship**

The brand manager system is not without criticism. We like to say that marketing is about meeting customer needs. One obvious criticism is that it appears to focus more on the product rather than the needs of the customer. Also, the brand manager system tends not to lend itself too well to the development of new products. This is because brand managers are often too immersed in the day to day management of their brand which after all is their prime responsibility.

If brand managers are little beyond glorified co-ordinating clerks the system tends not to work. For the brand manager system to continue to flourish it may be

necessary to go back to the original idea. This sought to get individuals to act as miniature general managers for a particular brand bringing to it flair, entrepreneurship, drive and creativity. This requires the delegation of more responsibility and authority to the individual who needs to be carefully chosen. He/she would also need to be rather less concerned with internal brand co-ordination and more with customer wants.

**Adaptations**


The brand manager system is not necessarily the optimal way to organise the marketing function. One management theory of organisation essentially holds that there is no right way of organising but not all the ways of organising are equally effective. Brand managers represent only one way in which brands can be managed.



Changes in the environment may require a new response to such changes. The rise in the power of retailers with buyers that arrange large quantity purchases for all the outlets in their chain has seen a shift in power away from manufacturers to these buyers. At Heinz this has necessitated a movement away from brand managers to an organisation by key managers and market segment managers. These sell the entire range to their target groups thereby enabling this manufacturer to meet the increased power of retailers. Another experience is that of P&G who have

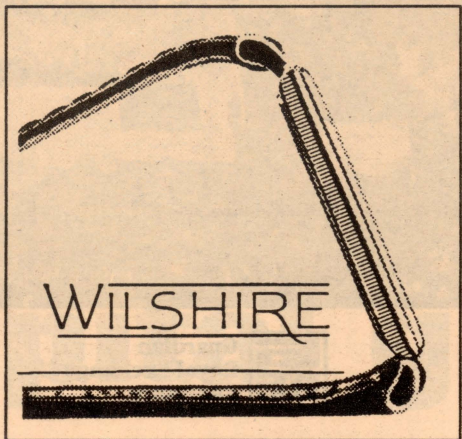
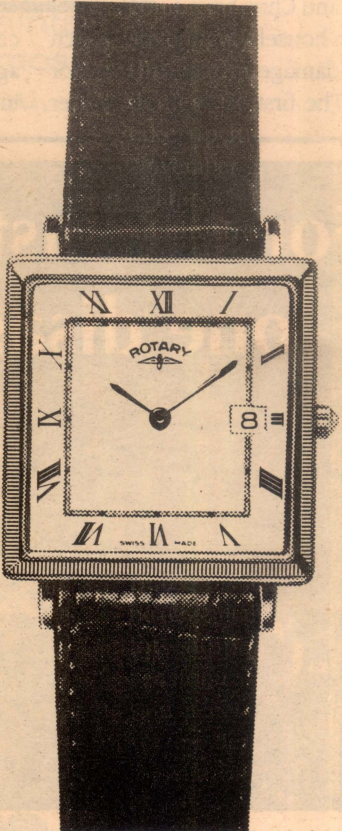
a policy of having more than one brand in a category that compete directly with each other. P&G have sought to offer a 'united front' when faced with the increase in retail buyer power. Their adaptation to the brand manager system has involved the addition of category managers who co-ordinate groups of brands in a given category.

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