Product Brand Management

Sub Code 427

S.P MANDALI'S
weschool
Welingkar Education

Developed by
Prof. Daniel M. David

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Chapter 1

BRANDS and BRANDING: A BRIEF HISTORY

Objective

After completing this chapter, you will be able to understand:

- The evolution of branding

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1.2 Branding in the Stone Age and Bronze Age

1.3 The Advent of Product Branding

1.4 Brand Merchandising in the Ancient and Medieval Markets

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1.1 INTRODUCTION

Brands and branding are not concepts that have suddenly popped out of the screens of tabs and laptops in the 21st century. Neither are they the by-product of the industrial revolution, nor the ingenious invention of a Renaissance-inspired inventor of the 14th century. Then, how far or rather deep into the ages, do the roots of branding go? For starters, the Vedic period (1100 BC to 500 BC) gave India one of its oldest generic brands, which has been in continuous use since then – the Chyawanprash. It is believed that Chyawanprash, an herbal paste consumed for health benefits was developed by a revered Rishi, at Doshi Hills. The Rishi's name was Chyawan. No guesses why this brand was named Chyawanprash!

From the early man, till date, brands and branding have evolved through all these ages and eras, and it wouldn't be wrong to say it is still evolving. The early man, by burning, stamped ownership on his livestock, in order to distinguish his cattle from the others. Today, though the tools and rules have changed, the objective remains the same, to stand out from the rest.

The objective of this chapter is to walk through the various ages of human existence and touch upon specific years in the timeline, where brands and branding have left an indelible mark of its evolution.

1.2 BRANDING IN THE STONE AGE and BRONZE AGE

Fig 1.1: Reproduction of Bison, Altamira Cave Paintings.

Source: BBC News.

Ownership symbols can be traced back to, surprisingly as old as, the Stone Age. Branding at that time was restricted for the purpose of protecting one's own property, than for merchandising as is evident in the later ages. Largely seen in cave paintings, symbolic representations are suggested to have been used for claiming ownership, apart from communicating with others and for religious or ceremonial purposes. The Lascaux Caves in southwestern France is famous for its Paleolithic cave paintings, which are estimated to be around 17,300 years old. The caves contain nearly 2,000 figures, grouped into three categories – animals, human and abstract. It is believed that a part of these paintings, including handprints in some paintings, was a form of ownership marking. Stone Age paintings in southwest Europe clearly depict brands on Bison.

Similarly, In India, the Bhimbetka Rock Shelters (Raisen District, Madhya Pradesh), which exhibit the earliest traces of human life in India, were believed to be inhabited by Homo Erectus more than 300,000 years ago. The age of the rock paintings in the Bhimbekta can be estimated to be approximately 30,000 years old. And much like its European and African counterparts, these paintings, too, are believed to have been used as ownership markings, apart from them being used largely for the purpose of communication.

The concept of ownership gained more prominence during the New Stone Age, the Neolithic period, when humans began domestication of livestock. As resources began getting scarce, the Neolithic humans 'fenced' their lands on which they cultivated and lived; in today's context, this could be termed as Place Branding. Gradually, they started taming the wild. Dogs became the first of all animals to be tamed. According to Melinda A. Zeder (Domestication and Early Agriculture in the Mediterranean Basin: Origins, Diffusion and Impact), the first domestication of livestock appear to have been achieved in the Fertile Crescent, around 11,000 years ago.

Prior to this period, hunters were free to kill wild animals, without having to bother about the owner, since ownership didn't exist then. However, post domestication, they had to be extremely careful, as killing a domesticated animal could lead to owners demanding compensation! So, how would hunters basically search for signs to ascertain whether the animal is owned? The answer to this question explores the roots of branding in the Neolithic Age. If we go by James E. Krier's 'Unambiguous Signs of

Possession', we could selectively propose four cues that were available to Stone Age animal owners:

1. The appearance of species of animals post domestication;
2. Owners placing an artificial marking, such as a brand, on an ungulate;
3. A tamed animal's behaviour would indicate that it has an owner;
4. The inclination of the animal of returning to the owner, than retreating into the wild.

In terms of branding, the second point - placing an artificial marking, such as a brand, on an ungulate - holds good. However, if we are to go by the current definition of branding, that brands are the sum total of all functional and emotional assets of the product, all the four points mentioned above are relevant even to today's brand management practitioner, as much as it was then to the Neolithic man.

The Bronze Age spans 3300–1200 BC near East, 3000–1200 BC in South Asia, 3200–600 BC in Europe and 2000–700 BC in China. The beginning of the Bronze Age on the Indian subcontinent can be traced to around 3300 BC with the development of the Indus Valley Civilization.

This age is characterized by the use of Bronze, an alloy of Copper and Tin.

Stone seals dating to 3500 BC in the Middle East indicated ownership of created goods. These seals declared ownership, which were used among ancient Egyptians, Greeks, Romans and the Chinese to distinguish different makes of pottery and bricks. Moreover, these seals not only distinguished the makers or creators of such works, but also created a clear distinction in terms of quality. So, for example, the brand of pots with a star differed from the brand of pots with a triangle. If there was a problem with the star-branded pot, the complaint would be appropriately addressed to the maker of those pots.

1.3 THE ADVENT OF PRODUCT BRANDING

The advent of product branding can be traced to the times when pots were merchandised. One of the earliest examples of marked pottery appeared in China, around 4,000 to 5,000 years ago. Chinese, Indian, Greek and Roman pottery carried the potter's signature, or marks that, apart from ownership, also indicated the source of such materials and the time period when the material was made. Greek vases had marks that not only indicated the maker, but also the mark of the merchant who bought the vases in bulk and sold them in the marketplace.

Dr. S. Rajaram and C. Stalin Shelly, in their research on History of Branding*, have put forth the following observations on the history of product branding:

- Archaeologists have identified roughly 1,000 different Roman potters' marks in use during the first three centuries of the Roman Empire, which could seem to indicate a large number of individuals were each producing a relatively small number of goods;

- Trademarks on pottery have been identified in Mesopotamia (Iraq), dating as far back as 3000 BC;

- At the time of the Pharaohs, to identify their own products, brick makers in ancient Egypt placed symbols on their products;

- Quarry marks and stonecutters' signs have been discovered on materials used in Egyptian buildings, as old as 6,000 years ago. Quarry marks indicated the source of the stones used in the buildings, and stonecutters' signs painted or carved into the stone, helped workers prove their claim to wages;

- Similar marks and markings have also been observed on ancient buildings in Greece, Israel, Syria and Turkey;

- Medieval stonemasons in Germany developed a very elaborate system for crafting individualized marks that identified their work, but the purposes underlying the markings were the same;

- Bricks and tiles from Mesopotamia and Egypt bore inscriptions indicating the name of the monarch who had commissioned the structure, or who held power during the time of its construction;

- In contrast to the above, Roman builders stamped their bricks and tiles to indicate the source of raw materials used, or to identify the person who either made the object or built the house in which it was used.

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Fig 1.2: Selection of Roman pottery found in Britain.

Source: Wikipedia.

While branding was also used to determine the quality of the products, including guarantees, in the later stages, governments of different countries started accepting the markings as one of the best inventories for the purpose of taxation, and also for legal protection against copying and imitation.

1.4 BRAND MERCHANDISING IN THE ANCIENT and MEDIEVAL MARKETS

In ancient Babylon, when ships arrived at the ports with goods, barkers were employed to solicit customers with a verbal barking pitch that described varieties of spices, wines and other products. In ancient Roman and Greek society, shopkeepers advertised their products by hanging pictures in their shops. The pictures were used to communicate to a society that was largely illiterate, and the pictorial representation helped buyers in their buying choices. The development of logos can be traced to these times when retailers used symbols to depict the quality and speciality of their products.

Over 3,000 years ago, trade fairs were a practice in the Western Zhou Dynasty of China where hawkers displayed and merchandised their wares.

After the fall of the Roman Empire, when craftsmanship declined and commerce was hit badly, finally, it was only in the thirteenth century that the revival happened. The Magna Carta, decline of feudalism and trade between east and west were reasons enough for the change, when craft was revived with the formation of craft guilds. The guilds, in order to control trade, made proprietary marks mandatory. While town criers went about the town promoting a merchant's goods, hand-lettered handbills were hung and distributed in order to create a 'pull'.

Though the term Brand Piracy may be relatively new, the ignominious concept existed even during the ancient times. Manufacturers of pots that were perceived to be inferior by the public imitated the marks of well-known makers, despite the law recognizing the porter's mark as one of the methods of legal protection. Tom Blackett, in the book Brands and Branding, published by The Economist, states: In the British Museum there are even examples of imitation Roman pottery bearing imitation Roman marks, which were made in Belgium and exported to Britain in the 1st century AD. Thus, as trade followed the flag – or Roman Eagle – so the practice of unlawful imitation lurked close behind, a practice that remains commonplace despite the strictures of our modern, highly developed legal systems.

So rampant was brand duplication and piracy that consumers distrusted almost every single merchandise, which is evident from the thirteenth century text entitled Advice to a Norwegian Merchant, written by a father for his son: You must also be careful to examine the wares that you purchase is finally made to make sure that they are sound and flawless.
In yet another written account, Giovanni Morelli, in his Cronica, states: In the wool or French-cloth business...(Trade) with trustworthy persons who enjoy good reputation and credit, who have something to show by their name...Do not exercise any trade or business in which you have no experience. Do what you are able to do and beware of everything else, for otherwise you will be cheated.

The menace strongly impacted manufacturers of original quality products. Manufacturers thus, formed manufacturing guilds. Producing standardized products was one of the key objectives of these guilds, which in their knowledge would tackle the troubles of counterfeits in the market place. Armed with the objective of standardization, merchandise produced by members of the guild was subject to inspection, and prohibition was exercised against sale of shoddy products, coupled with strict punishments to members selling defective products. As a sign of brand identification, these guilds manufactured merchandise with unique observable traits, which included distinct cloth colour, peculiar patterns in the weave, etc. These identifiable, observable characteristics became symbolic of quality for consumers. Apart from the observable characteristics, there were also certain phrases used to describe these characteristics; these phrases became brand names.

By the 1200s, bread makers, goldsmiths and silversmiths used markings on their goods. In 1206, the Baker Marking Law was passed in England, which required stamps and pinpricks on loaves of bread in order to indicate their origin. Around the same time, spirit makers used hot iron symbols to mark their oak barrels of scotch whiskey, to indicate the liquor's origin. In the 1400s, with the arrival of the Gutenberg Era, things changed. Johannes Gutenberg invented the printing press in 1448, in Germany, which had a tremendous impact on brands and branding. By the late fifteenth century, the first advertisement announcing the availability of a book was printed, and circulated in the form of a handbill. The first advertisement in a newspaper appeared in 1625, in England. By the 1700s, trademarks and stamps started picking up. Around the same time, the first copyright laws were passed in England.

Though the period, 1600 to 1800, took branding a notch higher, it also ushered in the disgraceful concept of human branding. Though the concept of human branding dates back to the ancient times, when, for example, Ancient Romans marked runaway slaves with the letters FUG (for fugitives), it was unfortunate that even after so many years the practice continued. Imagine, at a time when trademarks, printing and advertising were gradually picking pace, branding of slaves by their owners was considered the most logical thing to do!

1.5 BRANDS and BRANDING: IMPACT OF THE INDUSTRIAL REVOLUTION

The Industrial Revolution sparked off in Great Britain spread to Western Europe and the United States, impacting and influencing the social, economical, political and almost every facet of nations and individuals, alike. Around 1740, there was a growing surge toward a modern, industrialized society. Machines took over most manual processes. Water power, steam power and the development of machine tools revolutionized production, textiles being the first to harness the immense benefits of this transition.

Brands such as C&A (1841), Levi's (1850), Tabasco (1868) and Heinz (1869) were born during the Industrial Revolution. Even then these manufacturers manufactured their merchandise without brand names, as the power of the distribution chain was in the hands of wholesale traders. These wholesalers, who became a barrier between the manufacturers and end consumers, bought goods in bulk and merchandised them. Later, it is to be noted that, long after the Industrial Revolution, around the nineteenth century manufacturers began questioning their reliance on these wholesalers, and started protecting their investment by branding and patenting their products. Gradually, they started bypassing this powerful lobby of wholesalers and advertising their products directly to the consumers.

Mechanised production translated into standardised products being produced in bulk during the Industrial Revolution. The mass manufacturing and marketing, in turn advanced to visual identification and trademarks. The value of visual identification and trademarks gained tremendous importance. It is also to be noted that mass production was a boon for manufacturers, and nevertheless a bane, too. On one hand, while they now had the capacity to produce huge quantities in a cost-effective manner, without compromising on quality, they would perhaps have to bank on exclusive product differentiation to make an effective sales pitch. A tough job, indeed! Alternatively, the wiser lot would have to think out of the box in order to create a perceived value for their products. And therefore, somewhere in this inevitable transition, the concept of brand and branding was evolving to another phase of its existence. The transition was not only because of the changes that the revolution brought about in the manufacturing process, but also chiefly because of the changes in the socio-economic conditions that made it conducive to the personal growth of people. With rise in literacy and the growth of the middle class, the revolution brought about a drastic change in the way people lived, worked and interacted. It was, therefore, but obvious that brands needed to align its communication to the changing society. Early forms of advertising and branding focussed on dissemination of information about goods, quality of the products and fostering demand. For consumers who didn't read the newspapers, advertisers found innovative ways to reach out to them: men wearing placards, banners and umbrellas sporting signs.

During the years of the American Civil War (1861 – 1865) technological advances created favourable conditions for packaged goods. Until then bulk goods were sold by weight from barrels and open containers. People neither had any idea of the manufacturer, nor got into the specifics of trademarks that some manufacturers of tobacco, wine and ale branded on to their wooden packages or casks. There was nothing called 'brand names' and goods were merchandised and purchased by the masses using generic names, such as tobacco for tobacco and cereal for cereal. However, the Civil War-time economy facilitated the shift.

Robin Landa, in her work 'Designing Brand Experiences' observes: The Civil War-time economy created a ripe climate for technological advances and for the start of a "packaged goods" society...Soldiers needed canned goods and uniforms. People began to buy ready-made clothing and shoes. More and more, people were drawn away from commodities sold out of barrels to attractively packaged goods that promised "sealed freshness" and more sanitary products.

Fig 1.3: William Bass, founder of Bass Brewery, gave U.K. its first registered trademark – a distinctive red triangle – in 1976.

Companies started thinking aloud to promote their packaged goods. Brand names were given and visual identities were designed. Packaging became an indispensable part of almost every product; labels, boxes and wrappers became the order of the day. From jams to cereals, almost every commodity had a name, logo and packaging, which became integral to the brand's personality. Tobacco too came to be sold in packages. In fact, both, tobacco and patent medicine manufacturers forged ahead in the race for proprietary names, fancy labels, and packaging.

John McDonough and Karen Egolf have put the trend quite interestingly in their work 'The Advertising Age Encyclopaedia of Advertising': A manufacturer put a commodity in a small box, injected 'personality,' added information to increase its usefulness, and turned the goods into something both desirable and profitable. The success of selling packaged goods also depended on advertising a 'name.' Yet it was something more than a name – it was the established identification of a 'brand name.' This identity differentiated the product from others of the same category and enabled buyers to appraise its value before buying.

The brand wagon had taken off. Consumers stopped buying products; they started buying brands. Brand names began ringing in their minds and they sought names that were impressive and reliable. The relied on brands that were trustworthy, ones that promised quality and freshness. And as Robin Landa puts it, they wanted brands that would make their lives easier, brands that would make them more attractive, socially acceptable and desirable. This period marked the emergence of a brand conscious society.
The role of visual communication started being harnessed by corporate executives and brand owners. William Taylor became the first acknowledged advertising agency in 1786. Advertising became vital to the business of manufacturers, in order to reach out to more and more people of a newly evolved brand conscious society. Brands came to have three dimensions: differentiation, legal protection and functional communication.

One of the popular advertising case studies of that time, in the United States, was of Lydia E. Pinkham's Vegetable Compound. Lydia Estes Pinkham was a famous concocter and marketer of a commercially successful herbal-alcoholic 'women's tonic,' projected tactfully as the solution to relieve women of menstrual and menopausal pain. Lydia's advertising strategies at that time ensured a large customer base and increased profits over time. However, it is said that in the 1880s, sheer overconfidence of her son to do away with advertising for this famous brand led to a severe drop in sales.

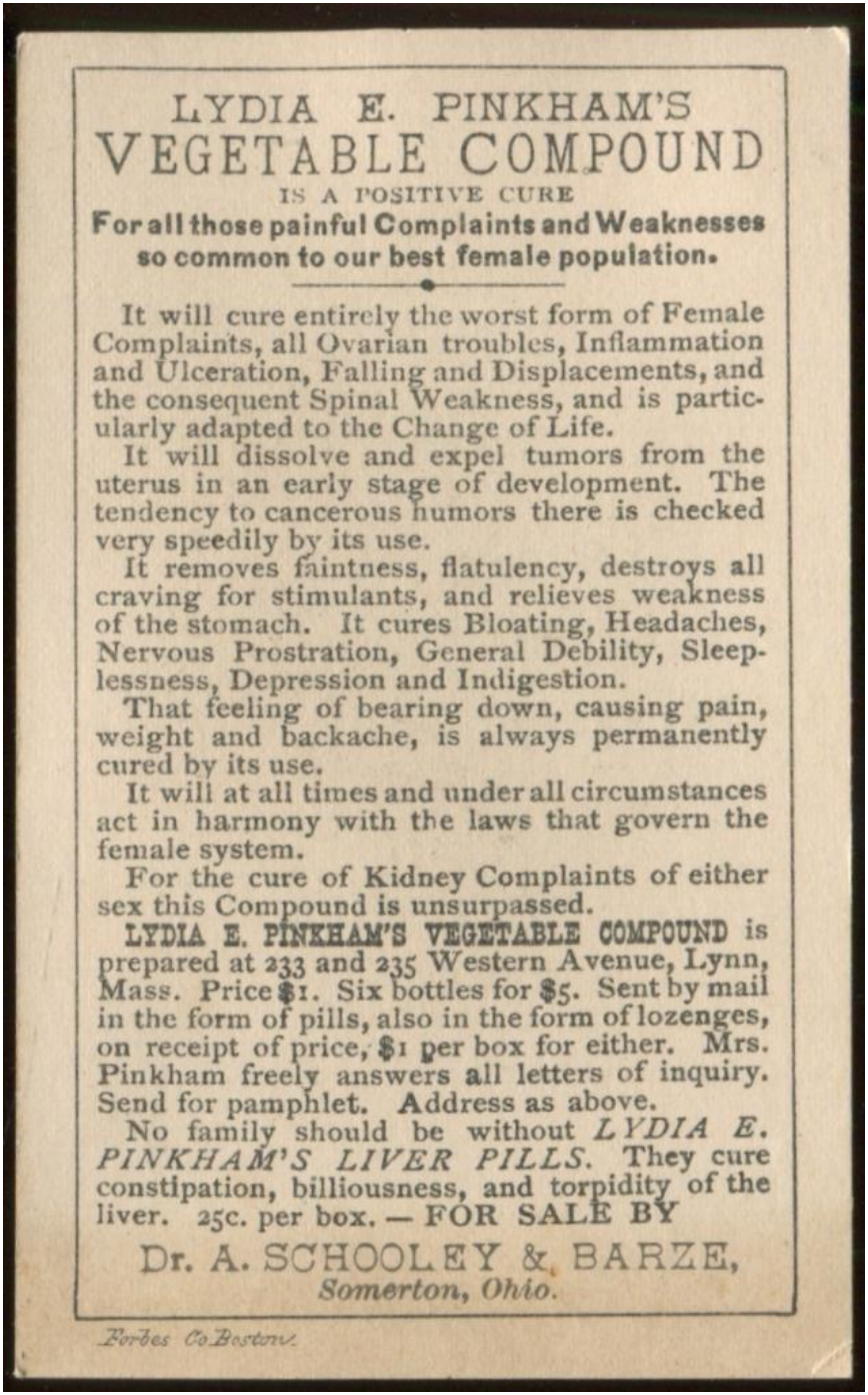
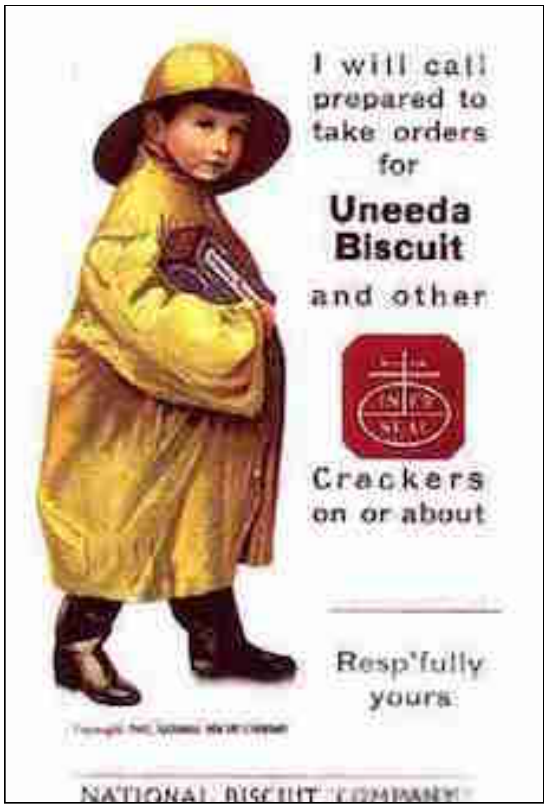


Fig 1.4: Lydia E. Pinkham's print advertisement.

Uneeda Biscuit, a packaged brand-name cracker made by the National Biscuit Company (Nabisco), is another interesting case study. The company hired N. W. Ayer & Son, an advertising agency, to create a campaign for Uneeda Biscuit. The agency suggested the brand name and also created a character, the Uneeda Biscuit Boy (a boy in a raincoat, to suggest air-tight freshness and crispness), supported by the slogan "Lest you say it, we say it yet, Uneeda biscuit." It is said that the Uneeda Biscuit boy is the story of early American advertising boiled down to a single parable that just happens to be real history. Launched in 1899, this was the first multimillion-dollar ad campaign!



National Biscuit Company

Fig 1.5: National Biscuit Company's print ad with the famous Uneeda biscuit boy.

In 1886, Thomas J. Barratt, called the father of modern advertising, made the first attempt to marry art and advertising, in the bargain also causing a flutter in the art world. He paid the English painter Sir John Everett Millais 2,300 pounds for 'Bubbles', his classic Victorian painting of his young grandson. Barratt used this painting in an ad for Pears Soap, which proved to be a great success.

1.6 BRANDING ENTERS THE TWENTIETH CENTURY

The late nineteenth and early twentieth century created a platform for brands and branding. In fact, many of the brands established in this period are going strong, even today: Singer sewing-machines, Coca-Cola, Bass Beer, Quaker Oats, Cook's Tours, Kodak Film, American Express, Heinz, Prudential Insurance, to name a few.

By the twentieth century branding freed itself from the isolated concepts of logo and brand name, and focused on the development of the all-round personality of the brand. This age also marked the phenomenal growth of advertising and advertising agencies. Following Barratt's example, by the beginning of the twentieth century, larger agencies, such as Chicago's Lord and Thomas, New York's J. Walter Thomson and London's S. H. Benson, were commissioning artists to work on specific briefs to produce integrated campaigns. Thus, graphic design, advertising, and marketing simulated the 'consumer' economy, and people with the money favoured branded goods.

Marshal McLuhan, in his work 'Understanding Media,' observed: The historians and archaeologists will one day discover that the advertisement of our time are the richest and the most faithful daily reflections that any society ever made of its entire range of activities.

The growth of branding can be attributed to advertising, and vice versa. Therefore, it would be noteworthy to mention the notable milestones that were achieved in the twentieth century:

- Mass marketing was invented in order to influence the population's economic behaviour on a larger scale;

- Between 1910 and 1920, propagated by Edward Bernays, advertisers in the US adopted the doctrine that human instincts could be targeted and harnessed into the desire to purchase commodities;

- Tobacco companies pioneered the new advertising techniques when they hired Edward Bernays to create positive associations with tobacco smoking;

- From 1912, emotion in branding became revolutionized with Sigmund Freud's propagation of the "unconscious mind";

- Applied psychological theory started to be used in advertising in the early twentieth century, thanks to psychologists Walter D. Scott and John B. Watson;
- John B. Watson, the former chair at John Hopkins University, left the field of academia and focused on advertising, where he implemented the concepts of Behaviourism into advertising;
- In the 1920s, the practise of brands sponsoring programmes was popularized;
- During World War II President Roosevelt commissioned the creation of The War Advertising Council;
- The famous AIDA model of building awareness, creating interest, building desire and leading to action of buying arose;
- Brands acquired a new dimension – emotional.
- In the late 1940s and 1950s, the concept of commercial sponsorship was carried over to television, too;
- The early 1950s saw the beginning of multiple sponsors, when DuMont Television Network began the practice of selling advertisement time to multiple sponsors;
- The concept of Brand Personality was championed by Martineau in the 1950s;
- Cunningham, in the 1950s proposed the concept of Brand Loyalty;
- Smith Wendell formalized the concept of Market Segmentation with the publishing of his seminal article in the Journal of Marketing in 1956;
- In the 1960s, media diversification became the key term with campaigns spending heavily in different mass media channels;
- The key concept of advertising – the Marketing Mix was proposed by E. Jerome McCarthy in the 1960s, comprising the 4 Ps: Product, Price, Place and Promotion;

- William Lazer was the first to discuss the use of lifestyles in branding and marketing, in the early 1960s;

- According to Moore & Reid (2008), in the 1970s and 1980s branding became an important research area within the entire discipline of marketing;

- According to Roper & Parker (2006), the period between 1970 and 1990 led to brands being developed to become story-telling brands with the aim to create a meaning for their customers;

- The year 1972 is another important milestone in the evolution of branding, when Al Ries and Jack Trout coined the word positioning in the article series "The Positioning Era" published in the business magazine, Advertising Age;

- The late 1980s and early 1990s witnessed a new type of advertising with the advent of cable television and most importantly, MTV music video;

- It was in the 1980s itself that the concept of brand equity was developed;

- The 1990s set the stage for internet advertising with the advent of the ad server, leading to the dot-com boom;

- To counter the absence of adequate description on the crucial role of brands in relationships in the earlier introduced Relationship, a new integrated framework was coined, called Relational Branding, in the 1990s.

- In 1993, Simon and Sullivan became the first authors to propose a method to mathematically calculate brand equity;

- De Chernatony (1999) designed an identity model to conceptualize the brand's identity in terms of its vision and culture;

- Country-of-Origin (COO), Corporate Social Responsibility (CSR) and subcultures of consumption became an integral part of marketing and branding;

Table 1.1: 100 best brands of the 20th century

1. ABC
2. AT&T/American Telephone & Telegraph
3. Absolut
4. Adidas
5. American Express
6. Apple
7. Bank of America
8. Budweiser (includes Bud Light)
9. CBS
10. CNN/Cable News Network (CNN/SI, Headline News)
11. Cadillac
12. Camel
13. Campbell's
14. Chanel
15. Chevrolet (includes Corvette, Impala, Suburban)
16. Coca-Cola (includes Diet Coke)
17. Colgate
18. Crayola
19. Betty Crocker
20. Disney
21. Evian
22. FedEx/Federal Express
23. Ford (includes Model T, Mustang, Thunderbird)
24. Gap
25. Gatorade
26. General Electric
27. General Mills (Cheerios, Gold Medal, Trix, Wheaties)
28. Gillette
29. Good Housekeeping
30. Guinness
31. HBO/Home Box Office
32. Hallmark
33. John Hancock
34. Heinz
35. Hershey (includes Reese's)
36. Hilton
37. Honda
38. Hoover
39. I.B.M.
40. Ikea
41. Intel
42. Jell-O
43. Johnson & Johnson (includes Band-Aid)
44. Kellogg (includes Corn Flakes, Frosted Flakes, Rice Krispies)
45. Kleenex
46. Calvin Klein
47. Kraft
48. Ralph Lauren
49. Lay's
50. Levi's
51. L'Oreal (includes Lancome, Maybelline, Redken, Soft Sheen)
52. Lucky Strike
53. MCI/MCI Worldcom
54. MTV
55. Macy's
56. Marlboro
57. Mars (includes M&M's, Snickers, Starburst)
58. Maytag
59. McDonald's
60. Mercedes-Benz
61. Merrill Lynch
62. Microsoft
63. NBC
64. Nabisco/National Biscuit Company (includes Fig Newtons, Oreo)
65. Nestle
66. Newsweek
67. Nike
68. Pampers
69. People
70. Pepsi-Cola
71. Pillsbury
72. Planters
73. Playboy
74. Pond's
75. Quaker
76. Q-tips
77. Random House
78. Scotch tape
79. Sears, Roebuck (includes Craftsman, Kenmore)
80. Sony (includes Discman, PlayStation, Walkman)
81. Spam
82. Sunkist
83. Tampax
84. Texaco
85. Tiffany
86. Tide
87. Time
88. Timex
89. Toyota (includes Lexus)
90. Tropicana
91. Tylenol
92. United
93. Visa
94. Vogue
95. Volkswagen
96. Wal-Mart
97. Warner Brothers
98. Whirlpool
99. Wrigley (includes Doublemint, Juicy Fruit)
100. Xerox

Source: The New York Times, Article: Brands That Shaped Marketing in the 20^{th} Century, Dated: December 13, 1999.

Evolution of Branding Concepts in the 20th Century

Table 1.2: Evolution of branding concepts in the 20th century

Period	Concept/ Research Area	Pioneer/ Author, Year
< 1970		
	Importance of Branding	Marquardt et al: 1965
	Segmentation	Smith: 1956 Yankelovich: 1964 Mainer & Slater: 1964 Sheth: 1967
	Loyalty	Cunningham: 1956
	Lifestyle	Lazer: 1963
	Marketing Mix	Neil H. Borden: 1950s
	Personality	Martineau
1970s – 1980s		
	Positioning	Ries & Trout: Early 1970s
	Social Marketing	Kotler & Zaltman: 1971
	Relationship Marketing	Gronroos: 1989, 1984 Gummesson: 1993
1990s – 2000s		
	Relationship Marketing	Gronroos: 1989, 1984 Gummesson: 1993
	Brand Equity	Farquhar: 1990 Aaker: 1991 Keller: 1993 Simon & Sullivan: 1993 Srivastava: 1998
	Relational branding	Fournier: 1998 Brodie et al.: 2002 Gummesson: 2002 Grönroos: 2000
	Identity	Kapferer: early 1990s De Chernatony: 1999

	COO	Peterson & Jolibert: 1995 Agrawal & Kamakura:1999 Thakor & Lavack: 2003
	Brand communities and Subcultures of consumption	Muniz & O’Guinn: 2001 McAlexander et al.: 2002
	CSR	Willmott: 2003 Dobson: 2003 Blumenthal & Bergstrom: 2003

Source: Branding: The Past, Present and Future: A Study of the Evolution and Future of Branding; Anders Hampf & Kirsti Lindberg-Repo, Hanken School of Economics.

1.7 SUMMARY

Branding is as old, as the Stone Age, though at that time it was restricted for the purpose of protecting one's own property, than for merchandising. Stone Age paintings in Southwest Europe clearly depict brands on Bison. Branding for the purpose of merchandising arrived later, and the advent of product branding can be traced to around 4,000 to 5000 years ago among the Chinese, and 6,000 years ago among Egyptians. Pottery marks, bricks marks, quarry marks, and stonecutters' sign were some of the earliest instances of product branding. In the ancient and medieval markets Babylonians employed barkers to solicit customers with a verbal, barking pitch. In ancient Roman and Greek society, shopkeepers advertised their products by hanging pictures in their shops. It is to be noted that, though the term Brand Piracy may be relatively new, the ignominious concept existed even during the ancient times. Manufacturers of pots that were perceived to be inferior by the public imitated the marks of well-known makers, despite the law recognizing the porter's mark as one of the methods of legal protection.

By the 1200s, bread makers, goldsmiths and silversmiths used markings on their goods. In 1206, the Baker Marking Law was passed in England, which required stamps and pinpricks on loaves of bread in order to indicate their origin. Around the same time, spirit makers used hot iron symbols to mark their oak barrels of scotch whiskey, to indicate the liquor's origin.

The Industrial Revolution changed the way brands were projected and perceived, too. Brands such as C&A (1841), Levi's (1850), Tabasco (1868) and Heinz (1869) were born during the Industrial Revolution. Advertising gained momentum and brand consciousness developed.

The late nineteenth and early twentieth century created a platform for brands and branding. By the twentieth century branding freed itself from the isolated concepts of logo and brand name, and focused on the development of the all-round personality of the brand. This age also marked the phenomenal growth of advertising and advertising agencies. This century also gave the world various theories in brands, branding and advertising, and it was in the 1990s that the stage was set for the advent of the ad server, leading to the dot-com boom, which called for a brand new approach to branding, which nevertheless emphasized on assimilating all the virtues of the past theories.

1.8 ACTIVITY

1. Visit any ancient place (forts, temples, palaces, or other ruins) in or around your area of residence. On the basis of characteristics of branding in the ancient times, covered in this chapter, make a list of all the possible branding signs you see in this place.

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....
....
....

1.9 SELF ASSESSMENT QUESTIONS

1. Discuss the development of branding in the Stone-Age and Bronze-Age.

2. Elaborate on the advent of product branding.

3. How did the Industrial Revolution impact brands and branding?

4. Discuss brands and branding in the twentieth century.

Multiple Choice Questions

1. According to Roper & Parker (2006), the period between 1970 and 1990 led to brands being developed to become________

   A. Top Brands
   B. Storytelling Brands
   C. Benefit Brands
   D. Consumer Brands

2. The Lascaux Caves in south western France is famous for its ________

   A. Paleolithic cave paintings
   B. Brand paintings
   C. Architecture
   D. Brands

3. Which of the following statements are true:

   A. William Taylor became the first acknowledged advertising agency in 1786.

   B. The Vedic period (1100 BC to 500 BC) gave India one of its oldest generic brands.

   C. The Stone Age Man developed the concept of Brand Personality.

   D. The existence of Levi's jeans is evident in the caves of Ajanta and Ellora.

4. Which of the following statements are false:

   A. In ancient Babylon when ships arrived at the ports with goods, barkers were employed to solicit customers with a verbal, barking pitch that described varieties of spices, wines and other products.

   B. In ancient China when ships arrived at the ports with goods, branded cats went around soliciting customers.

   C. Positioning was proposed by Al Ries and Jack Trout.

   D. Chanakya invented brand loyalty.

Answers

1. (B), 2. (A), 3. (A, B), 4. (B, D)

1.10 RECOMMENDED READING

Books & Papers

- Brands and Branding, Book by Rita Clifton & John Simmons, published by The Economist.
- The Origin of Brands, Book by Al & Laura Ries.
- Stone Age Property, Research Paper No. 468, by Robert Ellickson, Yale Law School.
- History of Branding, Research Paper (International Journal of Social Sciences & Interdisciplinary Research (Vol. 1, No. 3, March 2012, ISSN 2273630), by Dr. S. Rajaram & C. Stalin Shelly.

Websites

- http://www.aef.com/pdf/landa_history_rev2.pdf
- http://en.wikipedia.org/wiki/Brand#History
- http://www.nytimes.com/1999/12/13/business/media-business-advertising-brands-that-shaped-marketing-20th-century-some-with.html

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 2

BRAND FUNDAMENTALS

Objective

After completing this chapter, you will be able to understand:

- The basics of brands and branding

Structure:

2.1 Introduction

2.2 The Product

2.3 The Brand

2.4 Products and Brands – The Interdependence

2.5 Product-to-Brand Transformation

2.6 Summary

2.7 Activity

2.8 Self Assessment Questions

2.9 Recommended Reading

2.1 INTRODUCTION

Look around and there is a brand, almost everywhere!

In today's times they are not just an integral part of our lives but in fact have gone on to become omnipresent entities. From the time one wakes up, until the time one says a good night, and everything in-between, there are brands. To put it in other words, right from the beeping alarm that wakes us up in the morning, to the bed linens, toothpastes, toothbrushes, towels, clothes, and even the water we drink, are all brands.

Brands are as good as living beings. They are born, named, dressed, nurtured and inculcated with values, identity, image and a personality. Above all, they express themselves, and converse with us in different ways, through various means.

Organizations have laid tremendous importance on developing, nurturing and protecting their brands. From developing the product, through its journey to becoming a brand and even thereafter, manufacturers, organizations, service providers and institutions, etc., dedicate great time, every dime and immense part of their grey matter to address their respective brand concerns.

Did you know Osama Bin Laden mulled a lot over the image and identity of Al Quaeda? According to a 2012 report in UK's Daily Mail, Osama wasn't just the leader of this group, but was also its marketing head! The news portal goes on to further reveal that, according to an undated letter found in his hideout in Abbotabad, Pakistan, he considered a few names for his terror brand. He wanted to change the group's name because it was giving the terrorist organization a bad rap, and the negative connotation was largely the result of his group killing too many Muslims. The Daily Mail writes that Osama felt that this public relations problem could be solved if the new name could convince Muslims worldwide they were in a holy war with America. Imagine what branding can mean even to the once world's most wanted!

The power of the brand, however, to a great extent depends also on the power of the product. It is not just about what the product can do, but rather how well the product can do what it is supposed to be doing in the market place. No amount of branding activities and advertising can compensate for a product, or service that has failed in its commitment to the consumer. Therefore, for any brand to be successful, it is imperative to closely monitor the product at every stage of its development.

In a nutshell, great brands begin with offering great products.

2.2 THE PRODUCT

Definition

According to Philip Kotler, a product is anything that can be offered to the market that might satisfy a want or a need. For him, a product goes beyond physical manifestations; it could be anything that can be offered to a market for attention, acquisition, or use, or something that can satisfy a need or want. Going by his expression, a product can be a physical good, service, retail store, person, organisation, a place or even a concept. However, all of the above should be in a position to satisfy customer needs or wants.

The Business Dictionary defines a product as ‘a good, idea, method, information, object, or service created as a result of a process and serves a need or satisfies a want. It has a combination of tangible and intangible attributes (benefits, features, functions, uses) that a seller offers a buyer for purchase.’ It further defines a product from the perspective of law and marketing. Legally, ‘a product is a commercially distributed good that is (1) tangible personal property, (2) output or a result of fabrication, manufacturing, or production process, and (3) passes through a distribution channel before being consumed or used.’ From the marketing point of view, a product is ‘a good or service that most closely meets the requirements of a particular market and yields enough profit to justify its continued existence.’

Most importantly, a product must serve some purpose to its user. It should, thus, have some benefits. A product cannot be termed so, if it does not offer something beneficial to the consumer. For example, shampoo, as a product may offer one, or all of the following benefits: clean hair, smooth hair, dandruff-free hair, revitalised hair, etc. If the shampoo does not offer these or any other benefit, why would consumers buy it? Every product has a reason for its existence on the shelves. This reason has to be strong and convincing enough for the consumer to buy the product. This benefit is derived from the fact that every product has to functionally perform what it is supposed to perform, in a manner that is superior and qualitative enough in, or beyond comparison to its peers in the market place.

Thus, to sum up:

- A product is made at a cost and is sold at a price;
- A product can be offered to the market that might satisfy a want or a need;
- It could be offered to a market for attention, acquisition, or use;
- It can be tangible, or intangible – a good, service, retail store, person, organisation, a place or even a concept;
- A product should have some benefits for it to be considered so.

Product Classification

Broadly, products can be classified as tangible and intangible. A tangible product, such as a toothbrush, face cream and clothing, can be perceived by touch. An intangible product, such as an insurance policy can only be perceived indirectly. While a laptop is a tangible product, the software used is intangible.

Intangible products can further be classified into three types: (1) Services (2) Virtual Digital Goods (3) Real Digital Goods.

1. Service is an intangible commodity, usually offered by service providers to their customers. Telecom companies, for example, fall into the category of service providers, as they offer telephone services to their customers. After-sales service is another example, where customers, who have invested in a product that requires maintenance and upkeep, are offered exclusive service, either at a cost or as complementary. Thus, service is an assemblage of one-time consumable and perishable benefits delivered by a service provider, in association with internal and/ or external service suppliers. It is commissioned in accordance to the needs of the service consumer. Asia's largest direct sales organisation, Eureka Forbes, is one of the finest examples of after-sales service.

2. Virtual Digital Goods (VDR) are located on the OS (Operating System) of computers, mobiles and tabs, and can be accessed as conventional file types (JPEG, MP4, etc.) They don't require any further intervention by programmers. Once the programmers have programmed the application, it can be accessed by the user, at any point of time, subject to applicable licences and rights.

3. Real Digital Goods (RDG) are present in data programs as presentational elements. They are independent of conventional file types and are commonly viewed as 3-dimensional objects or presentations subject to user control or virtual transfer within the same visual media program platform.

Apart from the above discussion, products are also classified by use, or by association. Various countries, organisations, business associations and enterprises have worked towards classifying products. One such classification, termed Central Product Classification (CPC) has been promulgated by the United Nations Statistical Commission, which focuses on having an international standard for organising and analysing data on industrial production, national accounts, trade, prices, etc. In its CPC Version 1.1 report, submitted to the commission, the preface explicitly states the objective: The Central Product Classification (CPC) constitutes a complete product classification covering goods and services. It was intended to serve as an international standard for assembling and tabulating all kinds of data requiring product detail including industrial production, national accounts, service industries, domestic and foreign commodity trade, international trade in services, balance of payments, consumption and price statistics. Other basic aims were to provide a framework for international comparison and promote harmonization of various types of statistics dealing with goods and services...The primary purpose of the CPC Version 1.1 is to classify the goods and services that are the result of production in any economy. This production is accounted for in the national accounts of countries and can be measured and analysed using the 1993 System of National Accounts (SNA). CPC Version 1.1 is useful in studying transactions in goods and services in detail. It can also be used as a basis for developing lists of goods and services for specific purposes, such as price statistics surveys, etc. its primary advantage being that it has met the criteria for serving as an international standard. It has broad acceptance and can facilitate the maintenance of constant categories of products, both with regard to character and definition. It can therefore serve as a framework for international comparison.

Apart from the CPC, there are many other systems which have been developed, such as, HS – Harmonised Commodity Description and Coding System, UNSPSC – United Nations Standard Products and Services Code, etc.

Product classification is of utmost importance from the marketing point of view.

In the early 1900, marketing was primarily considered as the movement of goods from producers to consumers, which resulted in transactions (Sheth et al., 1988). The commodity school theorists, however, proposed a change of view with the idea to advance the discipline of marketing as a scientific discipline, by classifying goods in a rational system. They were also of the opinion that by the development of a classification system, each commodity, though not unique but closely related, could be combined into one relatively homogenous category. One of the biggest advantages of bringing together products into one relatively homogenous category was that marketing procedures and techniques could be developed and implemented for all products under the category.

The proposal of these theorists and the subsequent attempts by various scholars – the latter improvising on the former's system – presents product classification as a sought of an evolution.

Charles Parlin's Product Classification (1912)

The pioneer of classification, Parlin's system consisted of three categories of goods:

1. Convenience goods – articles of daily purchase, such as groceries;

2. Emergency goods – articles of an immediate necessity, such as medicines;

3. Shopping lines – articles of significant importance, such as suits or dresses. These purchases required more thought and deliberation than either convenience or emergency goods.

Melvin Copeland's Product Classification (1923)

Copeland's classification system also had three categories:

1. Convenience goods – articles customarily purchased at easily accessible stores;

2. Shopping goods – articles for which the consumer desires to compare prices;

3. Specialty goods – articles which have some particular attraction for the consumer, other than price, requiring special effort on the part of the consumer to obtain.

Leo Aspinwall's Product Classification (1958)

Contrary to Parlin's and Copeland's systems, Aspinwall's classification looked at products/ goods from a different perspective, altogether. His system used five categories to differentiate the three types of goods:

1. Replacement rate – the rate at which a good is purchased and consumed by users;

2. Gross margin – the money sum which is the difference between the cost and final realised sales price;

3. Adjustment – the services applied to goods in order to meet the exact needs of the consumer;

4. Time of consumption – the measured time of consumption during which the good gives up the desired utility;

5. Searching time – the measure of average time and distance from the retail store.

The Journey of Classification (1977 – 1986)

Excerpt from the article, 'A Review of the Four Prominent Marketing Schools of Thought' by Robert F. Wright in the 'Journal of Advertising History', Special Issue, 2002: In 1977, Holbrook and Howard proposed the addition of a fourth category to Copeland's theory: Preference goods. These are goods the customer perceives as having greater risk, yet expects to exert little shopping effort. In 1980, Enis and Roering set out to improve upon Holbrook and Howard's work by addressing the question of consumer perspectives versus marketer perspectives. In doing so, they developed new definitions for the four categories now labelled specialty products, shopping products, convenience products and preference products (Enis & Roering 1980). Later, in 1986, Murphy and Enis further refined the category definitions, resulting in the following:

1. Convenience Products – lowest in terms of both effort and risk. The consumer will not spend much money or time in purchasing these products, nor does he or she perceive significant levels of risk in making a selection.

2. Preference Products – slightly higher on the effort dimension and much higher on risk. The distinction between convenience and preference products is primarily one of buyer perceived risk. The reason the consumer perceives this higher level of risk is often through the efforts of the marketer, particularly branding and advertising.

3. Shopping Products – buyers are willing to spend a particular amount of time and money in searching for and evaluating these products. Increased levels of risk are also perceived by consumers for these high involvement products.

4. Specialty Products – highest on both risk and effort dimensions. Major distinction between shopping and specialty products is on the basis of effort, not risk. The monetary price is usually higher, as is the time. At the limit, the buyer will accept no substitutes (Murphy & Enis 1986).

2.3 THE BRAND

The Debate on Defining Brands

To begin with, defining a brand is a subject of much debate and disagreements. Jean-Noel Kapferer has put it very curtly that 'one of the hottest points of disagreement between experts is the definition of a brand.' According to him each expert comes up with his or her own definition, or nuance to the definition. This increases the complexity in brand interpretation and management. The confusion is further aggravated because of what he calls 'a major schism between two paradigms. One is customer-based and focuses exclusively on the relationship customers have with the brand (from total indifference to attachment, loyalty, and willingness to buy and rebuy based on beliefs of superiority and evoked emotions). The other aims at producing measures in Dollars, Euros or Yen.'

According to him brand goes beyond just a name, logo and character. He clearly states that most modern societies, where individuals want to give name to their consumption, brands can and should be analysed through various perspectives: macroeconomics, microeconomics, sociology, anthropology, history, semiotics, philosophy and so on.

The origins of branding were reflected in the American Marketing Association (AMA) 1960 definition of the brand. The focus of the definition was on tangible brand attributes as points of differentiation: "A name, term, sign, symbol or design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of the competitors" Wood (2000, p.664). While this definition is relatively straightforward, the problem, according to Gardner and Levy is that it failed to account for the introduction of consideration of intangible brand attributes into brand theory. The 1995 AMA definition adds 'any other feature' to the attributes that might differentiate, reflecting the developments in brand theory. This open-endedness, however, has led Stern (2006, p.216) to discuss "semantic confusion" and the "instability and idiosyncratic usage" of the word brand. In addition, Wood (2000, p.664) clearly states that there are "diverse approaches to brand definition".

In another approach, Chernatony and Dall'Olmo Riley (1998), consider brands as constituted by their components. However, the problem is what components are they talking about? For example, de Chernatony and

Dall'Olmo Riley do not include brand equity amongst the components. Well, even if they produce a list of components, the bigger issue is how the components might be defined and delineated.

According to Moore et al., (2008) a good portion of the research on brand is devoted to building better understanding in the area of brand choice (or preference), brand switching, brand loyalty and brand extensions. Interestingly, very few of the studies have taken the approach of asking the question: What is a brand?

Defining Brands

Despite all the pandemonium, disagreements and debates on how a brand should be defined, scholars and marketing wizards have come closer to the core aspects of a brand. This, in a way, has led to a series of definitions, each of which share some close parallel with the rest.

According to Philip Kotler, brand can be defined as a name, term, sign, symbol, design, or a combination of them, intended to identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors.

David Ogilvy defines a brand as, 'the intangible sum of a product's attributes: its name, packaging, and price, its history, its reputation, and the way it's advertised.'

Al Ries, author of 'Positioning: The battle of your mind' defines brand as a singular idea or concept that you own inside the mind of a prospect.

David Aaker's definition is much closer to that of Philip Kotler. According to him, 'a brand is a distinguishing name and/ or symbol such as a logo, trademark or package design intended to identify goods or services of either one seller or group of sellers and to differentiate those goods from those of competitors.'

Keller, on the other hand, relates brands to mental associations and perceived values, stating that a brand is a set of mental associations held by the consumer which add to the perceived value of a product or service.

Kapferer classifies brands as assets: First, brands are intangible assets, posted eventually in the balance sheet as one of several types of intangible asset (a category that also includes patents, databases and the like). Second, brands are conditional assets.

Leslie de Chernatony and McDonald go a step ahead, highlighting the success of brands. According to them a successful brand is an identifiable product, service, person or place, augmented in such a way that the buyer or user perceives relevant, unique, sustainable added values which match their needs most closely. Chernatony further talks about how important are brands to both, the organisation and customers, stating that their wealth generating capabilities result from the way organisations seek to add value to customers' lives. He is of the opinion that, essentially, brands are clusters of functional and emotional values.

Based on the above definitions, a brand:

- Has a name, term, sign, symbol, design, or a combination of them;
- Has a personality;
- Helps identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors;
- Is a singular idea or concept;
- Is a perceived value of a product or service;
- Is a cluster of functional and emotional values.

Definition by Classification

As discussed earlier, scholars and key opinion leaders in the subject could not come up with a single, holistic definition of a brand. Leslie de Chernatony and Francesca Riley argue that there are many definitions of the 'brand', yet a comprehensive theory of the brand construct is still missing. In their paper, 'Defining A "Brand": Beyond The Literature With Experts' Interpretations' they state that specifying the domain and the boundaries of the construct is the first step towards developing a theory of the brand which satisfies formal, semantical, methodological and epistemological sets of criteria for theory evaluation.

Leslie de Chernatony and Francesca Riley (1998), however, classified definitions of brand into 12 themes, in order to develop the brand construct: (1) Brand as a legal instrument (2) Brand as a logo (3) Brand as a company (4) Brand as a shorthand (5) Brand as a risk reducer (6) Brand as an identity system (7) Brand as an image (8) Brand as value system (9) Brand as a personality (10) Brand as relationship (11) Brand as adding value (12) Brand as an evolving entity.

1. **Brand as a legal instrument:** A brand is a legal statement of ownership. It adopts a mark to designate legal ownership. The legality of brands has been described in the Oxford English Dictionary's brand definition, which states that a brand is "A particular sort or class of goods, as indicated by the trademarks on them." Branding is an investment and every brand owner adopts legal measures in order to protect the respective brand by seeking legal ownership of title, as protection from imitators. Trademarks are an asset. However, the value of those trademarks would eventually depend on how much importance has been laid to protect the trademark from infringement. There are legislations in the statutes of the law that offer protection, but protection against brand piracy is one critical grey area that, as of now, has limited scope in the legislation. This is one of the reasons why many consumers fail to identify the inconspicuous difference, for example, between a protected brand such as 'Red Label' and a pirated version, 'Rad Label'.

2. **Brand as a logo:** The traditional definition of a brand, proposed by the American Marketing Association in 1960 focuses a lot on the logo and visual features. The definition starts off with the most evident: 'a name, term, sign, or symbol,' all of which point to the visual features, especially the logo. Though many may acknowledge this definition, researchers such as Crainer and Arnold have criticised the definition on the basis that it is too preoccupied with the product and is too mechanical, as also limiting because it focuses only on the firm's input activity of differentiating by means of a name and a visual identity. In synch with the above definition, is the curt headline 'A Logo Is Not A Brand', a 2011 article in the Harvard Business Review. The author, Dan Pallotta writes that the brand is much more than a name or a logo - a brand is everything, and everything is the brand. What is this everything? The author further details: the brand is your strategy, the brand is your call to action, the brand is your customer service, the

brand is the way you speak, the brand is the whole array of your communication tools, the brand is your people, the brand is your facilities, and finally, the brand is your logo and your visuals, too. To sum it up, as Meadows observed, consumers are not passive recipients of brand marketing activity, and thus branding is not something done to consumers, but rather something they do things with.

3. **Brand as a company:** The Economist, in the year 1994, observed that due to growing competition from own-labels and spiralling marketing costs, an instantly recognisable corporate identity is vital. Many brands borrow the equity of their corporate identity and product lines become an extension. Take the example of Cadbury, which has a wide variety of confectioneries to offer the consumer, including Dairy Milk, Silk, Temptations, Fruit & Nut, Shots, etc. However, it is to be noted that the name 'Cadbury' precedes all its brands. For example, a Silk is called Cadbury Silk. A Silk can be identified as a Cadbury product only when the name 'Cadbury' accompanies it. The advantage of having the company as the brand lies in the coherence it facilitates across the brand portfolio. However, the disadvantage lies in the fact that, in the unfortunate event of the company's name being tarnished, the entire portfolio has to take the beating. The other way round, if a particular brand in the category is tarnished, the negative impact affects both, the company as well as the other brands in the portfolio.

4. **Brand as a shorthand:** According to Leslie de Chernatony and Francesca Riley, for consumers, brands act as a shorthand device of functional and emotional characteristics, enabling rapid recall of information in memory and speedier purchase decisions. Brand names provide memory shortcuts, and in these every-second-counts times, consumers who are busy by the second are more inclined to buy brands with names they recognise. However, Leslie and Francesca warn that, from a strategic perspective, this does not enable the marketer to decide which particular attributes should be developed and strongly associated with the brand's name. Maggi is one such example of a brand that is used as a shorthand. When consumers want noodles, most remember Maggi, because it has gradually become a shorthand for noodles.

5. **Brand as a risk reducer:** Consumer perceive some amount of risk when they buy a brand. Moreover, when it is a new brand, consumers double-check their information of the brand to satisfy themselves about the quality of the brand. Therefore, to instil consumer confidence, marketers gain an understanding of the perceived risk and present their brands in a strategic way, so as to encourage consumer confidence. Most cosmetic brands, for example, either use the term 'Dermatologically Safe' or 'Tested By Dermatologists' or 'Recommended By Dermatologists' as a risk reducing strategy for their brands. Marketers of such brands try to negate the perceived risk by instilling the confidence that their products can be trusted because a doctor has said it is 'safe' or is 'tested' and 'recommended' by doctors – the ones consumers have tremendous faith in.

6. **Brand as an identity system:** Kapferer's holistic definition of a brand emphasises the brand's identity as a structured whole of six integrated facets of culture, personality, self-projection, physique, reflection, and relationship. According to him, "A brand is not a product. It is the product's essence, its meaning and its direction, and it defines its identity in time and space...Too often brands are examined through their component parts: the brand name, its logo, design, or packaging, advertising or sponsorship, or image or name recognition, or very recently, in terms of financial brand valuation. Real brand management, however, begins much earlier, with a strategy and a consistent, integrated vision. Its central concept is brand identity, not brand image." Developing an identity, to a great extent, protects against competitors. However, more importantly, it enables firms to reap economic gains. A meticulously charted identity system helps marketers reinforce a meaning behind a brand for consumers. Moreover, it effectively translates and transfers the essence of the brand to all stakeholders.

7. **Brand as an image in consumers' minds:** Boulding (1956) was among the first to elaborate and draw attention to the commercial importance of image. He argued that people do not react to reality, but to what they perceive as reality. While social theorists argue that 'image' is socially constructed, Boulding's contribution focuses on cognitive psychology, particularly perception theory. He uses the perception theory to explain differing interpretations of the same stimulus. On the basis of this, Martineau (1959) described brands as images in consumers' minds of functional and psychological attributes.

Newman (1957) has given a more consumer centred perspective on the meaning of brands by defining brand image as everything people associate with a brand. While many researchers have stressed on the importance of brand as an image in consumers' minds, there are many others who propose a combination of brand identity and brand image. Gardner and Levy's definition proposes a dyadic identity-image perspective: A brand name is more than the label employed to differentiate among the manufacturers of a product. It is a complex symbol that represents a variety of ideas and attributes. It tells the consumers many things, not only by the way it sounds (and its literal meaning if it has one) but, more importantly, via the body of associations it has built up and acquired as a public object over a period of time.

8. **Brand as a value system:** Consumer behaviour theory considers personal and cultural values central to the theory. Accordingly, it can be stated that consumers' buying decisions are influenced by these values. These values not being inherent in the brand can impact buying decisions. How do we define these values? Clark (1987) has an answer. According to him, consumers find value in the brand, in its heritage, in their personal experience with it, and in how it reflects what the individual stands for. However, the values that one brand portrays, may not necessarily translate into sales. It is because, what one consumer may see as the right values, the other may not. For example, Kamasutra brand of condoms elevates the concept of pleasure of sex as integral to both, women and men. Therefore, Kamasutra communicates to the consumer that you can have a ribbed, or dotted, or a chocolate condom, in order to enhance pleasure. For a modern consumer, who believes in gender equality, and consequently, the fact that women too have the right to be sexually expressive, the brand value of Kamasutra identifies with that consumer. Tell the same to a conservative consumer, a hardliner who considers sex as a taboo, and the entire idea of 'pleasure for women' will be scoffed at. Sheth et al., identify five possible values characterising brand and influencing choice, indicating that decisions on choice of a particular brand are made with the aim of satisfying specific consumer values. Going by this perspective, individual brands are representations of unique clusters of values. The definition challenges organisations to consider, not only the functional capability of the brand, but also the relevance to consumers of symbolic values and

meanings permeating the brand. To sum up, Clark (1987) says, "Values provide the important link between consumers and marketers."

9. **Brand as a personality:** When we talk of a brand like Aquaguard, what qualities come to mind? Many will agree it is safe, trustworthy, reliable and prompt (in terms of customer service and maintenance). These attributes of the brand, combined together constitute the personality of the brand. Similarly, 'safe' and 'clean' and 'trustworthy' are the qualifiers for Dettol. On the other hand, a brand of Denims may be seen as playful, rough and tough, full of attitude, and style, which becomes the personality of that particular brand of denims. According to Lambin (1993), since competitors can replicate a brand's functional advantages, it makes sense to sustain their uniqueness by stressing on psychological values, using advertising and packaging, which will help differentiate the brand in terms of their symbolic values, such as association with the kind of people using them. Thus, when a consumer has to choose between competing brands, their preference would depend on whether the personality of the brand fits into the personality they wish to project. However, Plummer (1985) points out a semantic confusion between personality and image. According to him, the brand's personality is primarily the result of the firm's communication, whilst image is the way consumers perceive the brand's personality. As a strategic tool, Aaker (1996) considers brand personality as a metaphor which "can help brand strategists by enriching their understanding of people's perceptions of and attitude toward the brand, contributing to a differentiating brand identity, guiding the communication effort and creating brand equity."

10. **Brand as a relationship:** A respected personality lays the foundation for a stronger relationship between brands and consumers. Thus, a brand relationship is a logical extension of brand personality. If brands can be personified, consumers would not just perceive them, but would also have relationships with them. It is a two-way process: the brand's attitude to the consumer generates the consumer's attitude towards the brand. This growing respect and recognition of the personality between the brand and the consumer would lead to stronger bonding and attitude reinforcement, along with repeat usage. In today's age, when relationship marketing is taking over traditional marketing, Arnold (1992) rejects the AMA definition, on the basis of the argument that the

brand is the expression of a relationship between the consumer and the product.

11. **Brand as adding value:** Jones (1986) and Kings (1973) define added value as the non-functional benefits over and beyond a product's functional characteristics. For example, a mobile telecom company, apart from communicating about its extensive coverage, will also talk about its 24/ 7, efficient and helpful customer service. While the extensive coverage offers the functional benefit of a strong mobile network, customer service is the added value in this context. Hirschman and Holbrook describe added value as consumers imbuing a product with a subjective meaning in addition to the functional characteristics it posses. It is obvious for new layers of meaning to evolve over and beyond utilitarian attributes. Added values are the most vital part of the definition of a brand, as it becomes the most important differentiation between product (something with a functional purpose) and a brand. According to Jones (1986), "A brand is a product that provides functional benefits plus added values that some customers value enough to buy." Others believe that brands are bought because consumers perceive benefits through enhancement of core products or services, as Chernatony and McDonald put it: "Brands are an identifiable product, service, person or place augmented in such a way that the buyer or user perceives relevant unique added values which match their needs more closely." To sum it up, brands add value to products, and that "the manufacturer must surround his generic product with a cluster of value satisfactions that differentiates his total offering from his competitors" (Levitt).

12. **Brand as an evolving entity:** Many theorists, researchers and opinion leaders in the field of branding categorise brands according to their evolution. At each stage of this evolution, the emphasis of the brand gradually shifts from the firm to the consumers. Goodyear (1996), for example, sees branding evolving from "unbranded commodities", to "references" where the name is used for identification, as mentioned in the AMA definition. Later, in the second stage, brands develop into a "personality", offering emotional appeals, besides product benefits. The ideal example of this stage is the implied status of the Jaguar owner, or the owner of a plush penthouse. In the next stage the consumer "owns" the brand, which acquires "icon" connotations, such as the brand Raymond. A further progression is "brands as company", wherein the

focus is on a distinct set of corporate "brand values" that permeate the organisation. The ultimate stage is "brand as policy" which stands for social and political issues relevant to consumers, for example, Tata Salt (Desh Ka Namak) and Tata Tea, which focus on current political issues of India.

Using these twelve themes, Leslie and Francesca set the boundaries of the brand construct. They analysed definitions to identify commonalities and differences regarding the antecedents of the brand and its consequences for brand strategies. By drawing on the discussion of such similarities and differences, they considered issues of redundancy with similar constructs. This enabled them to better define the brand construct itself and set what they perceived to be its boundaries, based on the analysis of the literature.

Refer the following table, comprising three columns: (1) Brand definition (2) Antecedents (3) Consequences. The 'brand definition' column highlights the twelve different classifications of the definition of brands. The 'antecedents' column describes in short the characteristic of each of the twelve classifications. The 'consequences' column has an outline of the effect of the characteristic on each of the twelve.

Table 2.1: Antecedents and Consequences to the Brand Construct

Brand Definition	Antecedents	Consequences
Legal Instrument	Mark of ownership: name, logo, design, trademark.	Prosecute infringers.
Logo	Name, term, sign, symbol, design. Product characteristics.	Identify, differentiate through visual identity and name. Quality assurance.
Company	Recognisable corporate name and image. Culture, people, programme of the organisation defines corporate personality. CEO is the brand manager.	Evaluate over long-term horizon. Product lines benefit from corporate personality. Convey consistent message to stake-holders. Differentiation: Proposition, relationship.

Shorthand	Firm stresses quality, not quantity of information.	Rapidly recognise brand association. Facilitate information processing, speed decisions.
Risk Reducer	Confidence that expectations are being fulfilled.	Brand as a contract.
Identity System	More than just a name. Holistic, structured with six integrated facets, including brand's personality.	Clarify direction, meaning, strategic positioning. Protective barrier. Communicate essence to stakeholders.
Image	Consumer centred. Image in consumers' mind is brand "reality".	Firm's output activities managed using feedback of image to change identity. Market research important. Manage brand concept over time.
Value System	Consumer relevant values imbue the brand.	Brand values match relevant consumer values.
Personality	Psychological values, communicated through advertising and packaging define brand's personality.	Differentiation from symbolism: Human values projected. Stress added values beyond functional.
Relationship	Consumer has an attitude towards the brand. Brand as a person has an attitude towards the consumer.	Recognition and respect for personality. Develop relationship.
Adding Value	Non-functional extras. Value satisfier. Consumers imbue brands with subjective meaning they value enough to buy. Aesthetics. Enhanced through design, distribution.	Differentiate through layers of meaning. Charge price premium. Consumer experience. Perception of users. Belief in performance.
Evolving Entity	Change by stage of development.	Change by stage of development.

Source: Leslie de Chernatony & Francesca Riley.

2.4 PRODUCTS and BRANDS – THE INTERDEPENDENCE.

Product-Brand Relationship

The product-brand relationship is as old as the early theorisation of the brand. Brand managers have always stressed on the important role of the product in the process of brand building. The fact that a great brand also depends on a great product cannot be discounted from the discussions of brand custodians. However, Kapferer says that on the one hand, many a CEO repeats to his or her staff that there is no brand without a great product, in order to stimulate their innovativeness and make them think of the product as a prime leveller of brand competitiveness. On the other hand, there is ample evidence that market leaders are not the best product in the market. It has been observed that the best brands are born out of a product that surpassed the competition. Therefore, the quality and all inherent features of the brand got to be intact in order that it becomes a good brand.

A product comes with some attributes, features and functionality, further powered by certain services such as guarantees, after-sales, credit facilities, etc. The product is given a name, which is called the brand name and a certain level of quality is assigned.

There can be several products in the same category. However, it is branding that distinguishes one product from the other, in the same category.

Brands and Product Differentiation

Kapferer says, "Brands are direct consequence of the strategy of market segmentation and product differentiation." In the quest to satisfy the expectations of customers, he says, companies offer products with an ideal combination of attributes – both, tangible and intangible, functional and hedonistic, visible and invisible – under viable economic conditions for their businesses.

A product is just another product, until it is defined as to what the brand should inject into the product, in order to transform it. The questions that arise when analysing what the brand should inject in the product are: What attributes materialise the product? What advantages can be created? What benefits can emerge? What ideals does the product represent?

Injecting the Brand into the Product

Once these questions are adequately addressed and, consequently, the decision on what should be injected is reached upon, the product begins its journey of transformation. The transformation would largely depend on how much the product is enriched with all the necessary attributes, and to what extent. A successful product carries the brand within. As Kapferer notes, a delabelled product supposedly becomes worthless when it no longer carries the brand name, unless it continues to bear the brand within. For example, a Satya Paul carries within itself the brand, in terms of the pattern, design and cuts that are only unique to this collection. In this case, even if the clothing doesn't carry a Satya Paul tag, the product carries the brand well enough within itself through its unique distinguishing features.

Transforming the Product Category

A brand doesn't only act on the market. It rather organises the market. It has an astute vision, a mission and a crystal-clear idea of what transformation the product category needs to undergo. How does this transformation happen? Let's take the example of Liril. In the seventies and eighties, while most soaps talked about health and hygiene, Liril went against the tide.

The Hindu **states**: Liril was conceived by a group of young managers from HLL and advertising agency Lintas was instructed to create a freshness soap in the premium price segment. Their first attempt was a blue soap with the promise of fresh mountain breeze. This idea did not work too well in research. They then developed a green marbled soap with a lemon fragrance. The brand was launched in 1975 as a response to research which showed that the only private time available to the housewife was during her bath, when she could be away from the family, husband, mother-in-law and kids. The soap's pitch was that she should then use this time to relax and try and escape into a world of fantasy.

Liril, as per the strategy came up with an advertisement that was bold for its time. The Liril girl, bathing under a waterfall in her bare minimum became an embodiment of an exciting life, free of the mundane for the Indian housewife.

From soaps being a symbol of 'clean, healthy and anti-germ', it went on to acquire the position of being free. Liril transformed the product category at that time.

2.5 PRODUCT-TO-BRAND TRANSFORMATION

A cookie is just another cookie. It is made of flour, butter, sugar and eggs. The difference in this product could only be all about the added ingredients. So you may have one cookie with chocolate chips, while another one with almonds. And well, you may have a hundred bakers manufacturing cookies, say for instance, with almonds. So, where or rather what is the difference?

The fact is brands start off as products made out of certain ingredients. They begin to be established as brands through a mix of marketing and branding activities. There are a set of attributes, core values and extended values that they acquire over a period of time, through these various activities.

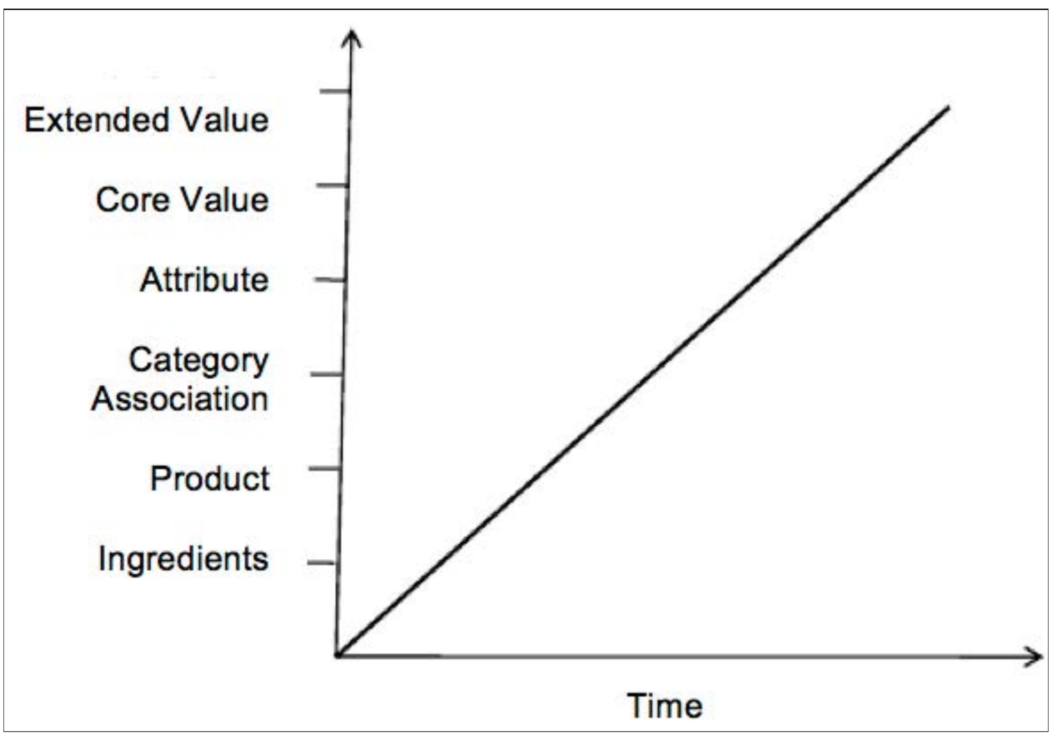

Fig 2.1: Brand Evolution.

HOW STARBUCKS TRANSFORMED COFFEE FROM A COMMODITY INTO A $4 SPLURGE

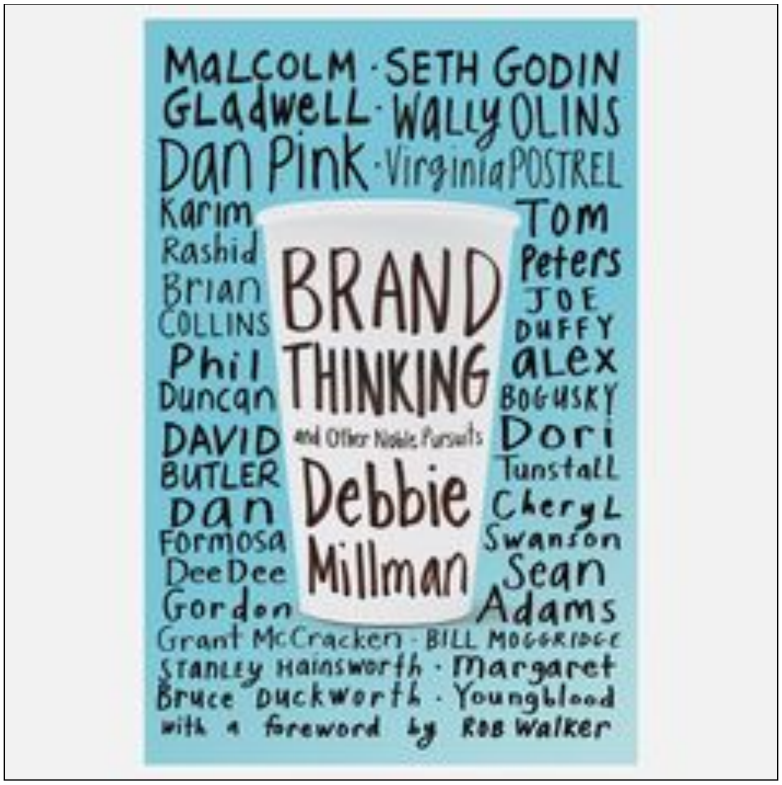

Fig 2.2: Brand Thinking (Book Cover), by Debbie Milman

Excerpts from Brand Thinking by Debbie

Stanley Hainsworth has been a catalyst for the great brands of modern times. He was creative director at Nike and then Lego. He was vice president global creative at Starbucks in an era when the coffee purveyor was experiencing phenomenal growth. Starbucks has been hailed, acknowledged, and praised again and again for its excellence in branding and marketing, in creating a branded experience that can satisfy the connoisseur, bring in new converts, be accessible to all, and irresistible in its appeal. Stanley defined the very feel of Starbucks in an era when the brand was becoming a cultural icon. In this interview, Stanley reveals his secrets about the magic that helped to create a brand that conquered the world.

Stanley, how would you define "brand"?

A brand is an entity that engenders an emotional connection with a consumer.

What do you mean by an "emotional connection"?

Consumers emotionally connect with brands when the brands repeatedly provide something that the consumer wants, desires, or needs.

Let's return to the moment a person first realizes they have to make a choice between coffee brands or soda brands or shampoo brands. How do people really make choices? Do you think people are conscious of the processes they use?

I think the best brands are those that create something for consumers that they don't even know they need yet. A coffee brand like Starbucks created something people didn't know they needed. Same with Nike. Who knew we needed a high-end performance running shoe? I think when people are surprised or delighted by how a brand can change their lives by just making it a little bit better—or a little bit more fun or a little more performance-oriented—that's when they start creating a connection with that brand.

The concept of a person not knowing that they need something is a fascinating one. Clearly, there were millions of coffee shops all over the world before Starbucks launched its particular brand of coffee shop. How do marketers create desire for something that consumers don't know they need?

I think great brands create the "end state" first. When launching a new product, marketers are not very specific about how a product actually works. They express more about the result. They talk about what you will feel or what you will be like if you choose to engage with that brand or that product. The Apple commercial in 1984 was a great example of this. There was very little about the product in the spot. It was all about the aftereffect of the product.

During your tenure at Starbucks, how deliberate were the choices that the Starbucks marketing team was making? Were they very intentionally creating a scenario and an environment that people would want to experience?

I think it was very deliberate from the beginning. When Howard Schultz first came to Starbucks, he wasn't the owner of the company. He joined a couple guys that had started the company. He went over to Milan and saw the coffee culture and espresso bars where people met in the morning. He saw how people caught up on the news while they sat or stood and drank their little cups of espresso. That inspired the vision he crafted from the beginning—to design a social environment where people not only came for great coffee, but also to connect to a certain culture.

Howard was very wise in knowing that Starbucks was not the only company in the world to make great coffee. On the contrary, there are hundreds of other companies that can make great coffee. So what's the great differentiator? The answer is the distinction that most great brands create. There are other companies that make great running shoes or great toys or great detergent or soap, but what is the real differentiator that people keep coming back for? For Starbucks, it was creating a community, a "third place." It was a very conscious attribute of the brand all along and impacted every decision about the experience: who the furniture was chosen for, what artwork would be on the walls, what music was going to be played, and how it would be played.

Did Howard anticipate that Starbucks would grow as quickly as it did and become as pervasive? Was his goal to create a global brand?

I think the vision was always for Starbucks to become a global brand. There were big ambitions from the beginning. I once asked Howard how it felt to have thousands of people here in our offices, and thousands of people in thousands of stores all over the world working for the brand. He just looked at me and shook his head and said, "I had no idea that it could become this."

Over the course of your career, you've worked in three different companies that have an iconic role in our culture. With two of them, Starbucks and Nike, the products are sold at a very high premium. Both organizations have taken commodity products and turned them into desirable, sexy, coveted products that incite enormous loyalty and an almost zealot like behavior. Do you see a common denominator in the way these products are marketed? Would you say that there's something that these companies have in common that has generated this fervor?

What I observed working in both companies is the rigor and unfailing attention to the product, and the unbelievable energy spent on creating the brand experience. I describe it as experience first and product second, because no one is going to pick up your product and try it if they don't want to buy into the experience. This experience comes through the advertising, the retail environment, and the online experience—every single brand touch point. There is a very intentional effort to inspire people to get caught up in that experience and say, "I want to try that"—whatever that thing happens to be.

What is the most important aspect to consider when creating a brand?

For me, it's all about having a story to tell. This is what will enable you to create an experience around the brand.

What do you mean by "a story"?

Every brand has a story, whether it's the founder's story or the brand's reason for being. Some brands have never told their story well, or have lost their story. Microsoft is a good example of a brand that's never told its story well. It's a huge consumer product software platform, a mega conglomerate, and there's no love there. There's no emotional story to rally around. The Bill Gates story is such an incredible story, but it's never really been expressed by the brand.

It's really interesting to watch brands get older, and gain more competitors in the marketplace, and struggle to stay relevant. Look at Levi's or Gap or any of the great American brands that have gone through these struggles. Look at Starbucks! In order for brands to recapture their spirit, they almost always go back to their core. They seem to forget for a while, then remember, "Oh yeah, we're a coffee company!" Then they get rid of the movies and the spinning racks filled with CDs and start focusing on coffee again.

What if the brand manager of Kraft American cheese asked you to develop its story? How do you create a story if something is essentially manufactured?

You go back to the essence of the brand. Why was it made? What need did it fill? Go back to the origins of a brand and identify how it connected to consumers and how it became a relevant, "loved by families" product. What were the origins of this story? Whether we're talking about Tropicana orange juice or Kraft American cheese — these products were all created to fill a niche. Why? That's where you'll find your story.

What would likely be the next step after defining or developing a story?

You develop a story, and then you start to identify who the consumers are. Who are you talking to? How are you going to talk to them? How are you going to tell your story to them? What are your opportunities or your channels through which you can tell that story? Do we need to design some new products, or do we need to redesign our existing products because they aren't true to our story? Or maybe you determine that your products are fine, but you haven't been talking to your consumers in the right way, so it's a communication issue. Examine every touch point and look at how you can tell one clear, consistent story.

People who aren't very experienced with branding, or are new at it, sometimes feel that they can get away with something being off-brand. But I think that genuinely good branding involves an examination of every single way the brand, the product, and the experience is viewed. Everything that you do, everything you release, everything you say — everything is the cumulative expression of your brand.

What made you decide to work with brands in the first place?

As an American, my earliest days were immersed in brands. Brands became my acquaintances and friends as I grew up. When I got old enough to understand what was going on, I couldn't help but wonder about all that power.

What brands did you have emotional connections to when you were younger?

I think boys always remember their first really nice pair of running shoes. Mine were Adidas. I remember them exactly — I remember what they smelled like, what they looked like. I remember every single detail about them.

What made you want those shoes?

I loved the look of them. I even remember going to buy them. I had earned money mowing lawns. I went to the sporting goods store in Benton, Kentucky, the nearest town that had a sporting goods store—the little town where I grew up didn't have one. I looked at the shelf, and those were the shoes that called out to me. Even now, when I go into sporting goods stores or shoe stores now and see the huge wall of shoes, I see that one style of shoe — Adidas still makes them — and I have a deep connection to them.

How did you feel when you first put on that first pair of shoes?

I felt like I had joined another world. I didn't know it at the time, but I had joined the world of consumers. Suddenly, I liked the feeling of earning money, of buying something, and then enjoying it. That started my dangerous journey of buying footwear and apparel over the years.

Did that experience of wearing the shoes — which you had wanted so badly — make you feel better about yourself?

Yes. Yes. Yes.

Why or how do you think that happens?

If the brand has been advertised widely, then you've just bought your way into a world that you've only seen from the outside. The experience is like when there's a club that you keep walking by, and you finally enter that club, and now you're a part of it.

Do you think that there's any danger in that?

That's what brands play on. It's part of our nature to want to be accepted. Yet, at the same time, we have this desire to feel like we're different from everyone else — which is the complete opposite of that yearning for acceptance but is nonetheless relevant. I found that strategy particularly intriguing — when brands create things that make you feel like you're different from everyone else. I remember being in London in the 1970s and first seeing punks in Trafalgar Square. They had their hair "Mohawked" up, and they wore jackets covered in safety pins.

I couldn't help but imagine them at home, preparing themselves to go out, in order to look very different from anyone in their household or in their neighborhood. But once they were out, they looked exactly like everyone else in Trafalgar Square.

No matter how hard we try to look different, we almost always still look like someone. Once a lot of people get access into an exclusive club, the original members get turned off and leave to find another smaller, more exclusive club to join. I have often wondered if I should feel guilty because of my role in this. On the one hand, it is disturbing, but on the other hand, I admire it.

But as much as I believe in this, I also realize that no one has to have those products. You can live without them — they're not essential to life. I've probed deep in my soul to see if I felt bad doing this work, but I never have. I have never felt guilty.

Are you somehow disappointed that you don't feel guilty?

No. I've come to the conclusion that it's like entertainment. If I write a book or make a movie, I'm going to promote the hell out of it. It's the same thing in any arena. I make a shoe, and I'm going to promote it and try to get people to buy it. It's all part of making a living. Some people sell coffee, some people sell bread, some people sell shoes, some people sell toys.

I remember leaving work several years ago, when I was still at Starbucks. I felt so good after a whole day of working with everyone and critiquing everything. At the end of the day I suddenly realized, "Wow, I am really good at this." I knew I could make emotional connections between consumers and products and brands and things. I've achieved a level of expertise in the same way that a doctor or an accountant who practices for many years gets really good at what he does. We practice for years and years and years, and we learn all of the techniques. And then we make up new techniques and new ways to do things. And we get really, really good.

Precisely for that reason, you were brought in by Pepsi to resuscitate Gatorade after a failed brand reinvention. What did you do to resuscitate it?

I borrowed a lot of what I learned from my years at Nike. Gatorade needed a culture of innovation. For the last few years, their only innovation was related to introducing new flavors. That's not innovation. They needed to start creating products again that showed that they were the leader in both hydration and in sports drinks. I came in and developed a strategy to help them do that. I worked directly with the CEO to design a new identity for the brand, as well as for the products. Then I created the overall brand guidelines. It was a great experience.

What's it like to start working with a brand when it's in the middle of a disaster?

You only have one place to go, and that's up. Are they bringing back the Gatorade name? The G logo is being used in the same way as Nike uses its swoosh. Gatorade is the name of the brand and the company, and the G is the equivalent of the swoosh. The company had gone a bit overboard when it got rid of the Gatorade moniker, and now it's coming back to help reidentify the brand.

Did you do a lot of market research in the process of working on this project?

Yes, we did a lot of market research. It was interesting coming to this considering my background at Nike, where ideas were validated by gut instinct, not the consumer.

Wow, that's amazing

Starbucks was pretty much the same way. As Howard Schultz used to say, "If I went to a group of consumers and asked them if I should sell a $4 cup of coffee, what would they have told me?" Both Starbucks and Nike have modified their position on market research now, and do more of it, but they aren't like a P&G-type organization where they do heavy-duty qualitative and quantitative market research. When I left Nike, that type of validation was foreign territory for me. I had to learn it all afterwards.

What do you think of the state of branding right now?

I think branding has become a consumer-friendly word. It's being used in political campaigns, and it's being used in the boardroom. Schools have even started to talk about branding. On the one hand, there's a danger the word will become watered down and less meaningful than it has been in the past. On the other hand, it will be fascinating to see how communicators use this opportunity. We have the ability to lead this cultural shift, and I hope we can do it before the term "branding" becomes just another generic, overused, and misunderstood word.

2.6 SUMMARY

For any brand to be successful, it is imperative to closely monitor the product at every stage of its development.

A product is made at a cost and is sold at a price. It can be offered to the market that might satisfy a want or a need. It could be offered to a market for attention, acquisition, or use. A product can be tangible, or intangible – a good, service, retail store, person, organisation, a place or even a concept. A product should have some benefits for it to be considered so.

Broadly, products can be classified as tangible and intangible. A tangible product, such as a toothbrush, face cream and clothing, can be perceived by touch. An intangible product, such as an insurance policy can only be perceived indirectly. While a laptop is a tangible product, the software used is intangible. Intangible products can further be classified into three types: (1) Services (2) Virtual Digital Goods (3) Real Digital Goods.

A brand has a name, term, sign, symbol, design, or a combination of them. It has a personality. It helps identify the goods or services of one seller or group of sellers and to differentiate them from those of competitors. A brand is a singular idea or concept. It is a perceived value of a product or service. It is a cluster of functional and emotional values.

Leslie de Chernatony and Francesca Riley (1998) classified definitions of brand in to 12 themes, in order to develop the brand construct: (1) Brand as a legal instrument (2) Brand as a logo (3) Brand as a company (4) Brand as a shorthand (5) Brand as a risk reducer (6) Brand as an identity system (7) Brand as an image (8) Brand as value system (9) Brand as a personality (10) Brand as relationship (11) Brand as adding value (12) Brand as an evolving entity.

The product-brand relationship is as old as the early theorisation of the brand. Brand managers have always stressed on the important role of the product in the process of brand building. A product is just another product, until it is defined as to what the brand should inject into the product, in order to transform it.

2.7 ACTIVITY

1. Pick any brand of your choice. Trace its transformation from a product to a brand, and its current position in the market.

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2.8 SELF ASSESSMENT QUESTIONS

1. Discuss the definition and classification of products.

2. Elaborate on issues about defining 'brand'.

3. How are products and brands interdependent?

4. Discuss the 12 definitions that form the brand construct.

Multiple Choice Questions

1. Kapferer classifies brands as ____________________

    a. Products
    b. Assets
    c. Branding
    d. Goods

2. Brand is a _______________ statement of ownership.

    a. Legal
    b. Short
    c. Illegal
    d. Basic

3. Which of the following statements are true:

    a. Products begin to be established as brands through a mix of marketing and branding activities.
    b. Brands start off as products made out of certain ingredients.
    c. All products are brands.
    d. All brands are not products.

4. Which of the following statements are false:

    a. A successful product carries the brand within.
    b. A product comes with some attributes, features and functionality.
    c. Kapferer said brands are baseless.
    d. All definitions of a brand are false and misleading.

Answers

1. (B), 2. (A), 3. (A, B), 4. (C, D)

2.9 RECOMMENDED READING

Books & Papers

- The New Strategic Brand Management: Creating and Sustaining Brand Equity, by Jean-Noel Kapferer.

- Product or Brand? How Interrelationship between Customer Satisfaction and Customer Loyalty Work – Research Paper, Volume 2, Issue 1, June 2010, European Journal of Interdisciplinary Studies.

Websites

- http://www.thehindubusinessline.com/on-campus/case-studies/can-liril-regain-its-equity/article5549433.ece

- http://www.fastcompany.com/1777409/how-starbucks-transformed-coffee-commodity-4-splurge

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 3

BRANDS ELEMENTS

Objective

After completing this chapter, you will be able to understand:

- The overarching concept of brand elements in relation to all factors that help consumers identify the brand in the marketplace.

Structure:

3.1 Introduction

3.2 Brand Elements: Meaning and Definition

3.3 Interdependence of Brand Elements

3.4 Brand Name

3.5 Logo

3.6 Packaging

3.7 Shapes

3.8 Graphic And Colours

3.9 Sounds

3.10 Mascots

3.11 Summary

3.12 Activity

3.13 Self Assessment Questions

3.14 Recommended Reading

3.1 INTRODUCTION

There's a Lays Classic Salted wafers and there's a Parle's Classic Salted wafers. Both are potato wafers. Both have the same flavour. Both are available in the same quantities. Both are the same, and yet, both are different.

Let's take another instance. Two mobile phones of the same size, same design and exactly the same features are available for sale. Both are sleek, both have an 8 MP camera, both work on the latest android platform, both have a dual sim...and yet, both are different.

What is this difference? Or, rather what creates these differences? Why they are different, despite having the same product attributes? More importantly, why do consumers prefer one over the other, in spite of the similarities? The answer is simple, and yet complex. The simple answer is that the difference lies in the brand. The complex part is that each brand has several elements that help in distinguishing itself from other brands, and that every single element has a powerful contribution to brand differentiation.

The objective of this chapter is to get a clear idea of the overarching concept of brand differentiation and identity, and to study each brand element individually.

3.2 BRAND ELEMENTS: MEANING AND DEFINITION

According to Keller, brand elements and brand identity are often used parallelly to identify the brand, to enhance brand awareness and to facilitate brand associations, which eventually leads to differentiation in the brand. He uses the following conventional brand elements that form the visual identity of a brand as the key elements: logo, name, slogan and brand stories.

Brands identify and differentiate a company's offerings to customers and other parties. A brand is more than a name, or mark. Other brand elements such as logos and symbols (Nike's swoosh and McDonalds' golden arches), packaging (Coke's contour bottle and Kodak's yellow and black film box) and slogans (BMW's 'Ultimate Driving Machine' and VISA's 'It's everywhere you want to be') play an important branding role as well (Keller & Lehmann, 2006).

Brand elements are those trademark-able devices that help identify and differentiate the brand. According to Keller, the main brand elements are brand names, URLs, logos, symbols, characters, spokespeople, slogans, jingles, packages, and signage. According to him, choosing the right brand elements is important, as they enhance brand awareness and facilitate the formation of strong, favourable, and unique brand associations. He has charted a broad criteria that are useful for choosing and designing brand elements to build brand equity: (1) memorability, (2) meaningfulness, (3) aesthetic appeal, (4) transferability (both within and across product categories and across geographical and cultural boundaries and market segments), (5) adaptability and flexibility over time, and (6) legal and competitive protectability and defensibility. Each brand element has its own strength and weakness.

The key to brand equity is the mixture and balance between the different elements in their verbal and visual context to maximize their collective contribution:

Table 3.1

Offensive Role	**Defensive Role**
Memorability	Transferability
Meaningfulness	Adaptability
Likability	Protectability

Offensive Role: On the offensive side, it is important that the brand is remembered. One of the ways it can be remembered is by being distinctive, being easy to recognise and recall. Secondly, brand elements need to be meaningful to convey the descriptive or persuasive content. The descriptive meaning relates to the customers' ability to identify the right product category and the credibility of the brand element in the product category. Therefore, the descriptive dimension is a strong determinant of brand awareness and brand salience. Persuasive is the specific information about particular key attributes and benefits of the brand. Likability, in the offensive role, refers to the aesthetic appeals of the brand, such as brand style and themes.

Defensive Role: To maintain brand equity, in the defensive role, brand elements should be transferable in such a way that they can cover more than one product, product line, market segments, geographic boundaries, markets and cultures. In this role, brand elements need to be adaptable and flexible in time to remain relevant. In the last defensive criteria, brand elements need to be protectable through legal measures, which would prevent unauthorised competitive infringements of the brand.

In order to bring about a balance, Keller has categorised the main brand elements into five groups, as represented in Table 3.2:

Table 3.2: Brand Elements

Criterion	Brand Names & Url's	Logos & Symbols	Characters	Slogans & Jingles	Packaging & Signage
Memorability	Can be chosen to enhance brand recall and recognition	Generally more useful for brand recognition	Generally more useful for brand recognition	Can be chosen to enhance brand recall and recognition	Generally more useful for brand recognition
Meaningfulness	Can reinforce almost any type of association, although sometimes only indirect	Can reinforce almost any type of association, although sometimes only indirect	Generally more useful for non product related imagery and brand personality	Can convey almost any type of association explicitly	Can convey almost any type of association explicitly
Likability	Can evoke much verbal imagery	Can provoke visual appeal	Can generate human qualities	Can evoke much verbal imagery	Can combine visual and verbal appeal

Adaptability	Difficult	Can typically be redesigned	Can typically be redesigned	Can be modified	Can typically be redesigned
Protectability	Generally good, but with limits	Excellent	Excellent	Excellent	Can be closely copied

Source: Critique of brand element options (Keller, 2006, p.178)

According to Kotler and Pfoertsch, the above six general criteria for brand elements – also called visual identity code - reduce the risk of diluting or weakening the brand and form a guideline for a consistent brand performance.

3.3 INTERDEPENDENCE OF BRAND ELEMENTS

Achieving the right brand identity involves creating brand awareness, which initially involves linking the brand – brand name, logo, symbol and so forth – to certain associations in memory. That is, brand elements can be chosen to enhance brand awareness; facilitate the formation of strong, favourable and unique brand associations; or elicit positive brand judgments and feelings (Keller, 2001, 2003). Brand elements help in the process of consumer brain mapping and have a defining role in building brand equity. Consumers over period are able to identify the brand through brand elements. This is one of the key reasons, why brand custodians choose brand elements, which can effectively communicate about the brand and its point of difference from competing brands.

Brand elements are interdependent. They do not function in isolation. They are dependent on one or more, or all elements to fulfil the brands need for identity. Arnold (1992) categorised brand elements into three groups – Essence, Benefits, Attributes - in order to understand the interdependencies of the mentioned individual brand elements.

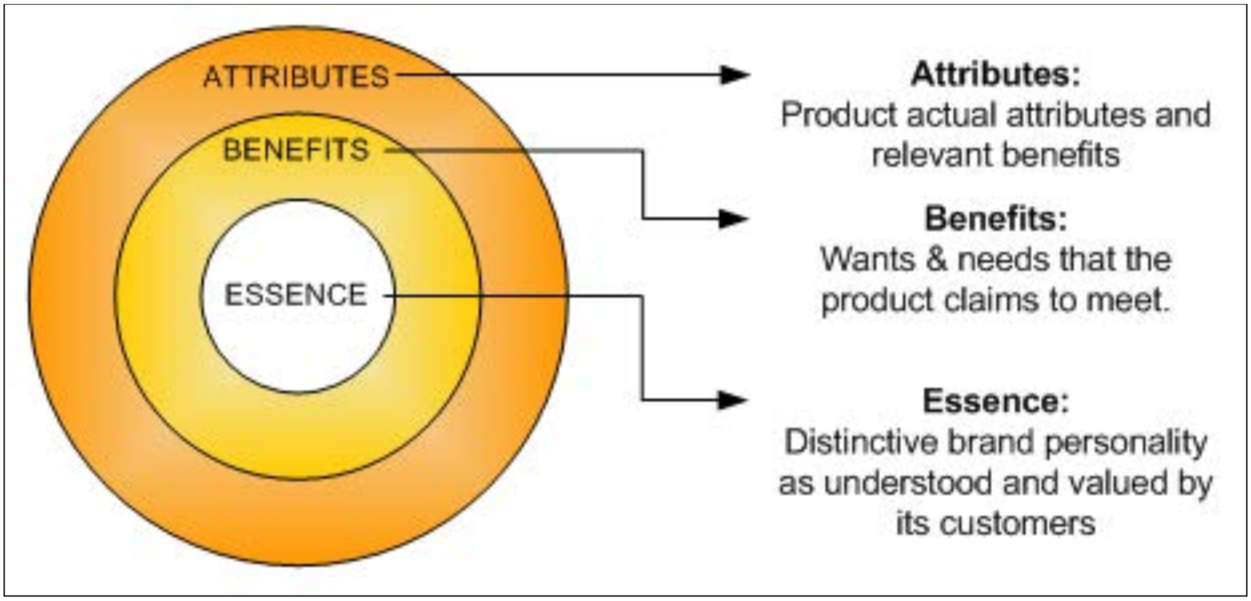

Fig 3.1: Brand elements

Source: The relationship between the elements of a brand (Arnold, 1992, p.17)

Essence

This is the core of the brand anatomy. It consists of all factors that form the brand personality to differentiate it within the market. The seven essential components of brand essence are:

1. **Single-mindedness:** Every brand has several features, and many things to talk about. However, the focus is lost when everything or, too many things are said about the brand. It is therefore very important to come down to one single, absorbing thing to say about the brand. For example, Sony Bravia maintains 'experience reality' as its single-minded proposition.

2. **Uniqueness:** The true strength of the brand lies in how it is different from other brands in the market. What makes the iPhone unique? It's innovation. Today, Apple is considered as a brand that innovates. And that's exactly what one gets to experience in each of its product.

3. **Experience:** A brand essence should essentially capture what the consumer feels during an experience with the brand. For example, it is the unique luxury and performance which one experiences in a Phantom that differentiates it from other cars.

4. **Relevance:** No matter how much you shout from over the roof, if the brand is not relevant to the consumer, he will not even look at it, forget buying it. Therefore, it is important that a brand's essence must be desirable and vital. If not, it would almost seem like trying to sell a catamaran in a desert.

5. **Consistency:** The character of a brand must be consistently represented across all company operations and marketing mediums. If there's no consistency, there's definitely something wrong with the essence.

6. **Authenticity:** The promise that the brand makes should be fulfilled in all aspects. Brand owners need to express the truth and only the truth about the brand. Aspirations can be expressed creatively, only so far as the consumer believes that the brand can deliver on its promise.

7. **Durability:** The brand essence is here to stay. It is durable. It is lasting. Logos may be tweaked, or completely changed, packaging may change, but the brand essence remains.

Benefits

The second ring of 'benefits' stands for the wants and needs of the customer that the brand is obligated to deliver. What is a benefit? The dictionary meaning puts it as an advantage or profit gained from something. Brand benefits refer to the advantages that the brand has, which can be offered to the consumer. Would you buy a brand if it didn't offer you any benefit? A consumer inspects a brand to understand whether the money he or she puts in is equivalent to the benefits that the brand has to offer.

Brand benefits can be broadly divided into 3 categories:

1. **Functional benefits:** Functional benefits are established on the product attribute that provides the customer with functional utility. Every brand has to first define the utility of the product it is offering. For example, Sprite's functional utility is that it quenches thirst. However, a 7Up, Coke, Pepsi and Limca also do the same. The goal, therefore, has to be to select functional benefits that will not only have a great impact with the customers, but will also support a strong position relative to the competition. Going by the above example, while most other aerated

drinks gave a secondary importance to the thirst factor, and chose to highlight upon the emotional and self-expressive benefits, Sprite simply said, “Sprite Bhujaye Pyaas, Baaki Sabb Bakwaas!” Last, but not the least, it is to be noted that functional benefits, in many cases, have failed to differentiate, and have been easily copied. Moreover, focusing on this function of utility may also reduce strategic flexibility.

2. **Self-expressive benefits:** This set of benefits provides an opportunity for someone to communicate his or her self-image. A self-expressive benefit can include the heightened status of owning a Bentley, or the spirited feeling projected by Nike, or the feeling of being cool, as projected by a Levi’s. Self-expressive benefits amplify the relationship between the brand and the customer by focusing on some aspect linked to his or her personality. Unlike emotional benefits that are associated with the result of using the product, self-expressive benefits focus on the act of using the product.

3. **Emotional benefits:** Emotional benefits satisfy the customer, emotionally. A Johnson & Johnson baby moisturizing lotion, or baby oil reiterate the emotional benefits...the hug, the kiss, the pampering of the baby, while the mother uses the brand. Emotional benefits infuse in the customer a positive feeling when they purchase or use a particular brand. The focus is on the feel-good factor. Archies, for example, focuses on the emotional benefit of sharing your love and care with your friends and loved ones through the simple act of gifting.

Attributes

The outer ring represents the actual attributes of the product.

According to the Business Dictionary, a product attribute is: A characteristic or feature of a product that is thought to appeal to customers. Attributes usually represent a manufacturer's or seller's perspective and not necessarily that of a customer. Attributes of instant coffee, for example, may include its aroma, flavor, color, caffeine content, packaging and presentation, price, shelf-life, source, etc. Attributes have only two possible ratings (negative or positive) expressed as acceptable or unacceptable, desirable or undesirable, good or bad, etc.

A product attribute is one of the characteristics that define a particular product, which can have an influence on the purchase decision of the consumer. Product attribute can be tangible (physical, perceived by touch) or intangible (not physical and cannot be perceived by touch). Tangible product characteristics can include size, colour, weight, volume, smell, taste, touch, quantity, material composition, etc. Intangible attributes may include characteristics, such as price, quality, reliability, beauty, aesthetics, pleasing quality, etc.

Consumers usually make a buying decision on the basis of attributes. The buying decision will be based on the consumer's need (must have, essential) and want (desire, but not essential). A consumer will compare his/her needs and desires against the attributes of products available and select the product that best matches his/her needs and wants.

3.4 BRAND NAME

A brand name is a word or name, especially which is legally registered as a trademark, and is used by a manufacturer, or marketer, or merchant to identify its products distinctively from others of the same type and usually prominently displayed on its goods, in its advertising and promotions.

A brand name can be termed as a précis for all that the brand stands for – all features, including advertising and promotions, packaging, audio and visual properties of the product. A brand name instils values in the product. Brand name is one of the brand elements which help customers identify and differentiate one product from another. The choice of a brand name is very critical, as the name should capture the key theme of a product in an efficient and economical manner. A brand name and its meaning can be retained and triggered in the memory instantly. Brand names, in some cases, may not necessarily be associated with the product.

Brand Name Categories

It is not all that easy to choose a brand name. Various factors are taken into consideration, and a careful analysis of the available options needs to be done. There are various categories under which a brand name can be developed. Following are few of the categories, which have been used since time immemorial:

Brand name vis-à-vis person name: There are various instances of brands being named after a person. Most such people have either been founders of the company where the product is manufactured, or they have been innovators in the product line. Examples of this category can be seen in the table below.

Table 3.3: Brand name vis-à-vis person name.

Brand Name	Named After	Product Class
Nirma	Nirma (Daughter of Karsanbhai Patel)	Detergent
Yamaha	Torakusu Yamaha	Musical, Electronics & Motorcycle
Cadbury	John Cadbury	Confectionery
Gillette	King C. Gillette	Safety Razors
Kellogg’s	Will Keith Kellogg	Food Processing
McDonald’s	Richard & Maurice McDonald	Restaurants

Brand name vis-à-vis location name: Brands have also been named after places. Since these names are derived from place names, they are termed toponyms. According to various studies, using locations for branding purposes has existed since ancient times. Even ancient civilizations such as the Roman Empire acted as brands, along with their cultural values, identities and power. Locations act as brands because people want to be proud of their place of origin. In such brandings, manipulating the image of cities, cultures and experiences has become the most important component of the entire branding process. According to Gildo Seisdedos, professor at the Instituto de Empresa, location-based brands make successful management in the global marketplace.

Table 3.4: Brand name vis-à-vis location name

Brand Name	Named after the Place	Product Class
British Airways	Britain	Airline
Adobe	Adobe Creek	Software
Amazon.com	Amazon River	Web portal
Evian	Town Evian-les-Bains	Packaged Drinking Water
Chrysler Aspen	Town Aspen	Automotive
Kentucky Chicken	Kentucky	Food

Brand name vis-à-vis company name: Brands have also been named after the company that manufactures them. Most company names are also used along with a sub-brand, in case of product extensions. Company associations with the brand name can either be strong or weak. For example, the endorsement of Cadbury with its extensions (Dairy Milk, Silk) is strong, whereas the endorsement of Nestle with its extensions (Kitkat, EveryDay), is weak.

Table 3.5: Brand name vis-à-vis company name

Brand Name	Named after the Company	Product Class
Chevrolet Enjoy	Chevrolet	Automotive
Parle-G	Parle Foods	Food
LG Refrigerators	LG Electronics	Electronics
Philips Grinder	Philips Ltd.	Food Processors
Haldiram Wafers	Haldiram Products Pvt Ltd	Food
Sony Handycam	Sony Group	Electronics

Brand name as an acronym: There are few brands which are nothing more than acronyms. These brand names are either acronyms of the company name, or an expression of the philosophy and vision of the company.

Table 3.6: Brand name as an acronym

Brand Name	Acronym of	Product Class
Amul	Anand District Milk Producers Union Ltd.	Milk & Milk Products
KFC	Kentucky Fried Chicken	Food
HP	Hewlett-Packard	Computers
MTV	Music Television	Media & Entertainment
BMW	Bayerische Motoren Werke	Automotive
DHL	Daisey Hillblom Lynn	Courier & Logistics

Individual brand names: There are brands independent of all of the above styles. The focus of such brands is largely to stay independent and focus on being distinct, in synch with its inherent features.

Table 3.7: Individual brand names

Brand Name	Signifies	Product Class
Kissan	Farm fresh, as Kissan stands for farmer	Foods
Volkswagen	People's car in German	Automotive
Reebok	A type of African antelope called Rhebok	Footwear
Pepsi	Digestive enzyme, Pepsin	Beverages
Nikon	Shortened version of Nippon Kogaku, meaning "Japanese Optical"	Camera
Real Fruit Juice	Natural	Health Beverage

Characteristics of Good Brand Names

It should be simple: Simple the better is the mantra of a good brand name. Simple means the brand name should ideally be short, easy to say, easy to spell, easy to read and easy to understand. There are many instances where complex and long brand names have been shortened by consumers themselves: Chevrolet becomes Chevy, Coca-Cola becomes Coke, Pan American Airlines becomes Pan AM. The need for simplicity in the brand name is directly related to the basic psychological principle that a simple bit of information is more easily absorbed and recalled.

It should be distinct: Most marketing literature emphasises on the need for distinctiveness in the brand name. Names such as Apple, Mustang, Xerox and Kodak are few examples of a distinctive brand name. Distinctive brand names are important because of memory, legal and brand positioning advantages. In terms of memory advantage, two basic cognitive processes come into play. First is the increased attention attraction power of the distinct name. Second, the motivational component triggered by curiosity. Didn't 'Apple' make you curious when you heard it for the first time with reference to computers?

It should be meaningful: A brand name that has some meaning to the consumer will be more easily recalled. It has been widely cited by marketers that a brand name can be more meaningful when it reflects the product benefits. Thus, the name Budget becomes more meaningful than Avis. Similarly, Sprint turns out to be more meaningful than MCI. When the name is meaningful, apart from the brand name per se, consumers also absorb the meaning, which eventually facilitates recall. However, it has to be also noted that, as per research, while meaningful words are associated with better recall, non-meaningful words are more easily recognised. Lastly, even in the case of a non-word name, individuals are capable of extracting some meaning out of it.

It should verbalize the product class: Natural verbal associations of the respective product class have a greater advantage when used as brand names. Kim Robertson, in the paper 'Strategically Desirable Brand Name Characteristics' published in the Journal of Consumer Marketing, states: This desirable characteristic has been identified by numerous authors in the marketing literature, often stated as the name being a logical derivative of, pertinent or appropriate to, or compatible and consistent with the product category. News24 (News channel), Pepsodent (Toothpaste), Mochi (Footwear), Vodafone (Mobile), are examples of brands which have created verbal associations with their respective product class.

It should produce a mental image: Words that possess high imagery value have consistently shown a high recall advantage over ones with low imagery value. Concrete nouns, such as Dove and Apple, more easily elicit mental images, than abstract names, such as Bold and Pledge. Recalling a high-imagery name has more cognitive access points to the name and, therefore, the probability of recall is increased.

It should have an emotional influence: Research in psychological and marketing streams states that memory is enhanced for affective, highly emotional information, words and brand names. Names that possess strong positive associations or connotations, engendering good effective feeling, being pleasant sounding and having strong symbolism, are found to be more desirable. However, it should be noted that emotion is a very basic response. Mehrabian, Albert, and Robert de Wetter, in their research paper 'Experimental Test of an Emotion-based Approach to Fitting Brand Names to Products' (Journal of Applied Psychology), mention that "emotional connotations of a product, or of any stimulus, represent the lowest common denominators of cognitive response to that product or stimulus."

It should complement the product: Brand names that are incompatible with the product are in a more disadvantageous position than those which are compatible. It is essential that the name complements the product. For instance, Timex complements watches, Airtel complements telephone, and Carefree complements sanitary napkins.

It should possess the virtue of universality: The brand name should be universally appealing and acceptable, for the simple fact that certain words and sounds may be offensive in certain languages and in certain parts of the world. Grand Teton sounds absolutely grand. It is a famous American brand of mountain terrain bikes. However, in French-speaking countries, it literally means 'the size of a woman's breast'. It is therefore important that the brand name possesses the virtue of universality.

Table 3.8: What's in the names of these famous brands!

skype	Skype is derived from the concept Sky-Peer-To-Peer.
Adobe	Adobe has been named after the Adobe creek that ran behind the house of its co-founder, John Warnock.
amazon.com	Named after the biggest river in the world, Amazon, because Jeff Bezos hoped his company would be as big as the river.
Audi	The German founder, August Horch, translated his name 'Horch' (meaning listen) into Latin, Audi.
Canon	The company's first camera was named Kwanon, named after the Japanese 'Bodhisatva of Mercy'. Later it was changed to Canon for worldwide acceptance.

Coca-Cola	The name has been derived from the Coca leaves and Kola nuts, which are used as flavouring. To make the name look better, the 'K' of 'Kola' was replaced with 'C'.
ebay	Originally the domain echobay.com was finalised. However, the domain was already registered in the name of Echo Bay Mines, a gold mining company. The next best option, therefore, was to shorten it to ebay.com
SONY make.believe	Derived from the combination of a Latin word 'Sonus' meaning sound, and an American slang 'Sonny' meaning bright youngster.
intel	Shortened from Integrated Electronics.
vodafone	The name, Vodafone, has been formed from the words 'Voice, Data, Telefone'.
NOKIA Connecting People	The name has been derived from the Nokianvirta river, on the banks of which its founder, Fredrik Idestam, set up his second wood pulp mill.

Fig 3.2: Logos – Jaguar, Vodafone, Nike, McDonald's

3.5 LOGO

It is said a logo speaks louder than words. Fig 3.2 contains the logos of some famous brands. Without a second thought, you will be able to identify the names of these respective brands.

A logo is an integral part of the overarching concept of visual identity – a concept that comprises the graphic components that, together, provide a system for identifying and representing a brand. The swoosh of the Nike, the arches symbol of McDonald's, or simply, the way the name of IBM is reproduced in its logotype, are all logos which have been developed thoughtfully, strategically and creatively. Though a logo is not the one and only aspect of branding, they are extremely integral to the entire process, particularly the process of creating and maintaining visual identity.

Defining a logo

Abbreviated from 'Logotype', the Oxford Dictionary defines logo as a graphic mark, emblem, or symbol commonly used by commercial enterprises, organisations and even individuals to aid and promote instant public recognition. Logos are either pure graphic (symbols/icons) or are composed of the name of the organisation.

Investopedia defines logo as, "a graphical mark used to identify a company, organisation, product or brand. Logos can be displayed alongside - or in lieu of - a company's name in order to generate awareness of the company's association with a particular product or service. The particular graphic used may be a stylized version of the company lettering (such as a wordmark) or abstract (such as a shape unrelated to the company lettering)"

A logo is an intangible asset, and yet they are an integral part of a brand's/ organisation's identity. It is the symbolic representation of the business, values and practices. It is used heavily in the marketing, advertising and promotion of the product.

In view of the above definitions, we can conclude that, a logo:

- Is a graphical symbol, or is composed of the name of the brand/ organisation

- Is designed to be distinctive and easily recognisable

- Appears in all marketing, advertising and promotional material

- Is an integral part of the brand's/ organisation's visual identity

- Is the symbolic representation of the business and values

Importance of logo

Logos are used to express the unique identity of products, services or organisations. A great deal of brainstorming, strategy, efforts, money and, of course, a great number of logo options (variations in colours, graphics, etc.) are expended on creating a logo, in order that it generates a representation in the consumers' minds that parallels the concept of the brand's own concept of its image.

Logos are not only used for brands, but also for corporate organisations, charitable entities, government departments and NGOs.

Though the primary aim of the logo is to create a distinctive way of associating a brand name with a graphic representation, it is very vital for this representation to also convey the ethos of the brand. Therefore, if a brand, such as Nike, is meant to represent the sporting spirit, its logo should do the same. Nike's iconic swoosh and legendary line, 'Just Do It' is valued at $10.7 billion, making it the most valuable brand in the sports industry.

The choice of logo can entail choosing between typographical, figurative, and abstract images, or a combination of few, or all of these elements. The McDonald's logo is a combination of typographical (the way in which the name is represented, using a particular font), as well as figurative (the arches, forming M). The Mercedes logo, called the 3-pointed star, is an abstract logo.

Choosing between typographical, figurative, abstract or a combination would largely depend on what the brand stands for, what it wants to convey, to whom, and in what way.

The importance of a logo can be summarised as follows:

The logo is the face of the brand: The logo is an integral part of all marketing and promotional activities of the brand. It is seen across all mediums that the company chooses to use for taking the brand across to the consumers. The brand is recognised because of the logo. It is the face, and as in the case of humans, the face, along with all its expressions is what is remembered. Would you like a face that is always grumpy, or gloomy? No, for sure. It is the same with logos.

The logo injects personality into the brand: Notice Barbie. Observe its logo carefully. What does it convey? The cursive, smooth font, along with the pink colour makes it obvious that this is meant for little girls. Every logo carries with itself its personality, its image. While the logo of a sporting brand would reflect aggressiveness and spiritedness, an insurance company would prefer reflecting trust in its logo. The personality that is injected into the logo, thus, will depend on the product category, and the type of consumer it wants to target.

The logo strengthens consumer loyalty: As consumers' experience with the brand grows, and as they begin to like and trust the brand, they become more likely to respond positively every time they have an encounter with the logo. This, not only leads to potential increase in sales, but also to improved mind share within the target market. Most importantly, the potential for repeat purchases, thanks to strong brand loyalty, gets higher.

The logo is a potent marketing tool: From a medium, as small as a shirt tag, to the boundary of a stadium, the logo is perhaps the only element that goes everywhere. The boundary of a cricket stadium is fenced with huge boards, carrying only logos of various brands. Don't you think the sponsors could use it to promote the brand by having a nice, huge image of the product? Even then what you see is an amplified logo, and only the logo. Now, have you ever seen an advertisement, whether in print or on television, without the logo? This only proves that a logo can be effective even when used in isolation. That's the power of the logo as a marketing tool. The logo becomes an integral part of all marketing tools, right from stationery (visiting card, letterheads, etc.) to billboards.

The logo establishes ownership: The logo is the signature of the brand. Anyone trying to imitate it would be committing an act that equates forgery. The logo proves your legal ownership and is a safeguard against fakes and forgeries. Powered by copyrights and trademark registrations, logos become the protected entities of their respective owners.

Characteristics of a Great Logo

- The logo should be simple - so that it is easily recognisable - yet impactful, so that it is noticeable, retained and recollected.
- It should be distinct enough to stand out in the cluttered marketplace.
- It should be adaptable enough to be reduced to the size of a small tag (without losing on legibility), and also look grand on the largest billboard, or projection screen.
- It should be created in a way that goes well with any background.
- It should be appropriate to the product category, and yet not obvious.
- The logo should be targeted at the right audience.
- It should be memorable, it should leave an impression.
- It should be timeless. It shouldn't look outdated neither for the current time, nor in the future.

3.6 PACKAGING

Long ago packaging was meant to protect and ship a product. Well, that was long ago. Today, packaging has a far more critical role in the market place. Be it bulk packaging, or a single product pack at the retail outlet, packaging today plays a very important role in the branding process. Brand managers and custodians have made packaging a 'medium' for branding and promotion, rather than just another 'cover'.

From baskets in the ancient times, to tin packs in the modern era, to paper packs, today, packaging as a protective shield has come a long way. But, ask today's marketers what is the purpose of packaging and they will agree that packaging rules the roost in the entire consumer experience. The reason for this domineering position of packaging in the consumer experience is for the fact that, even before the product, the consumer has its eyes and hands on the pack.

In addition to all the traditional role of packaging, it serves many other key purposes, all of which influence how a brand is perceived by the consumer:

Packaging is an expression of brand identity

The design of the packaging – be it the sleek look of a luxury brand, or the rugged appearance of a chemical gallon – reflects the personality of the product, and the position of the brand in the market. The distinctive design of the pack, along with the quality of printing and the material on which it is printed help engage users and differentiate the brand from other competitors. As discussed earlier, the consumers' experience with the packaging comes even before their experience with the product. Therefore, brand custodians pay equal – if not more – attention to the packaging, just as they do to the product.

Packaging is a tool to build relationships

Packaging plays a very vital role in building a relationship between a brand and the end user, in some cases, even long after the sale has been made. For instance, the image of a happy family on a pack of toothpaste has an impact on how the brand is perceived, every time the product is used. An aesthetically packaged product offers positive user experience, which in turn encourages loyalty and even the price consumers are willing to pay for the product.

Packaging facilitates communication

A good packaging is informative. If necessary information is difficult to find on the pack, or if it is not legible, or not available at all, the purpose of such packaging is defeated. Apart from instructions of use, the pack can also provide information as to why the product is a necessity, how it is different from the rest, how it makes life better - or easier. Packaging of brands that respect their consumers also carry customer service details, such as phone numbers and email addresses, which further strengthen consumer trust and confidence in the brand.

Packaging eases selling

A consumer may have not seen the latest advertisement of a chocolate brand that talks about wine in a chocolate. However, when the consumer reaches the retail outlet, he notices an eye-catching packaging in the shape of a wine goblet. That's it. The packaging has given him the story that these are chocolates with wine in it. This is the power that packaging has at the retail outlet. Similarly, in the case of products that are marketed through consumer channels, the packaging is the last opportunity to convince the consumer to buy the product.

Packaging protects

The last on the list, but equally important is the fact that the packaging should protect the product. Protection from damage is not the only concern. Protection from losing confidence and trust in the brand is of more importance. What impression would you have of a brand that comes in crushed or torn packs? Therefore, in order to retain the trust and confidence, packaging should be sturdy and reliable.

3.7 SHAPE

In the year 2011, Apple filed a series of patent infringement suits against Samsung. One of the cases pertained to Samsung violating design patent 087 (ornamental design of the iPhone). The rectangular shape and form of the iPhone was allegedly copied by Samsung. Why would iPhone file a suit against Samsung for something which apparently seems trifling? Well, it is simply because shape is one of the most important elements in branding.

When you see an oval, transparent soap, you immediately think of Pears. A heart-shaped can of oil is immediately referenced to Saffola. The famous contour shape of the Coca-Cola bottle is yet another example. The popular brand of Rum, Old Monk, earlier came in bottles in the shape of a monk.

Shape, in branding can either refer to the shape of the product, or the packaging, or both. For instance, though the shape of Pears soap is oval, its packaging is square. In some cases, such as Toblerone, the shape of the product, as well as the pack is the same – triangle.

However, shape cannot work in isolation. It has to be complemented with the appropriate design and colour, in order that it stands out.

3.8 GRAPHIC & COLOURS

Both, graphics and colour, in combination give brands their distinct identity.

Graphics

Graphics are used not only to pep up the look of the brand, but to help deliver the attributes of the brand in the most impactful way possible. The 'dynamic ribbon' of Coca-Cola is a graphic that brings out the personality of the brand. Similarly, the Nike swoosh renders the brand a spirited, aggressive image. The illustration of the dove on a brand of soaps indicates gentleness, purity.

Every graphic is replete with a story, an idea or a concept. Thus, every graphical element used in the branding process has been created with a solid purpose. The 'lightening' graphic of Rin tells the story of lightening whiteness – an aggressive way of communicating how to deal with tough stains in a tougher manner. Notice the illustration over the 'I' of Whisper. It signifies freedom, carefree attitude and liberation.

The amplification of the graphic, however, would depend on the creative strategy in place. For instance, the illustration over Whisper logo is not used very prominently. On the other hand, the lightening of Rin is used aggressively in all its promotions.

Colours

Colour professor and colour consultant for Tylenol, Nokia, Kodak and Dow Chenical, Jill Morton, says, "Brands and colours are inextricably linked because colour offers and instantaneous method for conveying meaning and message without words."

It is researched that 60% of the time people decide if they are attracted or not to a message, based on colour alone. That is the power of colour. Colour increases brand recognition by up to 80%.

Sourced from www.colorcom.com, the following facts reveal the importance of colour in marketing:

1. Research conducted by the secretariat of the Seoul International Color Expo documents the following relationships between color and marketing:

- 92.6 per cent said that they put most importance on visual factors when purchasing products. Only 5.6 per cent said that the physical feel via the sense of touch was most important. Hearing and smell each drew 0.9 per cent.

- When asked to approximate the importance of color when buying products, 84.7 per cent of the total respondents think that color accounts for more than half among the various factors important for choosing products.

Source: Secretariat of the Seoul International Color Expo 2004

2. Research reveals people make a subconscious judgment about a person, environment, or product within 90 seconds of initial viewing and that between 62% and 90% of that assessment is based on color alone.

Source: CCICOLOR - Institute for Color Research

3. Research by the Henley Centre suggests 73% of purchasing decisions are now made in-store. Consequently, catching the shopper's eye and conveying information effectively are critical to successful sales.

3.9 SOUNDS

The concept of using sound in branding is called 'Sonic Branding'. It is also termed as 'Audio Branding', 'Sound Branding', or 'Acoustic Branding', or 'Sound Logos'. Cognitive studies reveal that relevant sounds and musical cues can have tremendous influence on people. With an amazing leap in sound technology and an audio-enabled media environment, sound, strategically used, can play an important role in positively differentiating a product or service, thus enhancing recall, creating preference, building trust and eventually, increasing sales. Audio branding can communicate effectively, by the type of music used whether the brand is romantic or sensual, graceful or aggressive, indulgent and luxurious, or cool and casual.

Remember the signature tune that Britannia always signs-off with in its television advertisement? Another most relevant and live example of audio branding, is the chime with which Microsoft Windows launches on your computer. The discrete audio logo as the one attached to the Intel Inside button is also another instance of sonic branding.

Laurence Minsky and Collen Fahey, in their article 'What does your brand sound like?', published in the Harvard Business Review, state: "Rather, audio branding entails the creation of an entire audio language for the brand based on its essence, values, promise, and personality — a language that gets expressed across all touch points, from the web and apps to trade shows to TV to the retail environment and even the product itself. Just as the verbal or visual brand expression is optimized at each medium, the audio expressions are also sensitively adapted across the touch points, so they're psychologically appropriate to the medium."

As Elijah Torn, Creative Director, Massive Music, describes, "Sound is such an important aspect of all of our lives. This becomes even more apparent as everything in our lives is becoming digital. Shutter sounds on digital cameras let us know that our memories are being captured even though there isn't a mechanical connection. Certain frequencies – such as that of the human voice can resonate more deeply and convey their message more clearly. With music we can have an enhanced memory recall – music puts us in a specific place. Tying the proper music and sound design to a brand can then extend this into our daily lives. Instead of only being thirty seconds of someone's daily life from a web or television commercial, you create a sense of familiarity, comfort and of course a direct memory."

Salient Features of Sound Logos

- Sound logo is an important part of sound branding, and is in the form of a jingle, brand music, and brand theme.

- It is a short, distinct melody, or a sequence of sound.

- It is usually placed at the beginning or ending of a radio or television advertisement.

- It is often used in combination with a visual logo.

3.10 MASCOTS

Mascots are branding elements that help people remember the brand. It is often based on people, animal, or objects. Mascots have been noted for their ageless character, which help the target audience develop a closer relationship with brands.

Mascots have well defined personalities, and over a period of time the brand and its mascot are almost inseparable.

Some of the most famous Indian mascots include: the Amul girl, the green eyed Onida devil, Kelvinator's penguin, Asian Paint's Gattu, Nerolac's tiger, Fido Dido, etc.

Find below the story of the mascot that put Amul on India's breakfast table:

THE AMUL GIRL

Source: www.amul.com

Years after it was first launched, Amul's sale figures have jumped from 1000 tonnes a year in 1966 to over 25,000 tonnes a year in 1997. No other brand comes even close to it. All because a thumb-sized girl climbed on to the hoardings and put a spell on the masses.

Bombay: Summer of 1967. A Charni Road flat. Mrs. Sheela Mane, a 28-year-old housewife is out in the balcony drying clothes. From her second floor flat she can see her neighbours on the road. There are other people too. The crowd seems to be growing larger by the minute. Unable to curb her curiosity Sheela Mane hurries down to see what all the commotion is about. She expects the worst but can see no signs of an accident. It is her four-year-old who draws her attention to the hoarding that has come up overnight. "It was the first Amul hoarding that was put up in Mumbai," recalls Sheela Mane. "People loved it. I remember it was our favourite topic of discussion for the next one week! Everywhere we went somehow or the other the campaign always seemed to crop up in our conversation."

Call her the Friday to Friday star. Round eyed, chubby cheeked, winking at you, from strategically placed hoardings at many traffic lights. She is the Amul moppet everyone loves to love (including prickly votaries of the Shiv Sena and BJP). How often have we stopped, looked, chuckled at the Amul hoarding that casts her sometime as the coy, shy Madhuri, a bold sensuous Urmila or simply as herself, dressed in her little polka dotted dress and a red and white bow, holding out her favourite packet of butter.

Fig. 3.3: Series of Amul advertisements with the polka-dotted Amul mascot.

For 30 odd years the Utterly Butterly girl has managed to keep her fan following intact. So much so that the ads are now ready to enter the Guinness Book of World Records for being the longest running campaign ever. The ultimate compliment to the butter came when a British company launched a butter and called it Utterly Butterly, last year.

It all began in 1966 when Sylvester daCunha, then the managing director of the advertising agency, ASP, clinched the account for Amul butter. The butter, which had been launched in 1945, had a staid, boring image, primarily because the earlier advertising agency which was in charge of the account preferred to stick to routine, corporate ads.

In India, food was something one couldn't afford to fool around with. It had been taken too seriously, for too long. Sylvester daCunha decided it was time for a change of image.

The year Sylvester daCunha took over the account, the country saw the birth of a campaign whose charm has endured fickle public opinion, gimmickry and all else.

The Amul girl who lends herself so completely to Amul butter, created as a rival to the Polson butter girl. This one was sexy, village belle, clothed in a tantalising choli all but covering her upper regions. "Eustace Fernandez (the art director) and I decided that we needed a girl who would worm her way into a housewife's heart. And who better than a little girl?" says Sylvester daCunha. And so it came about that the famous Amul Moppet was born.

3.11 SUMMARY

Brands identify and differentiate a company's offerings to customers and other parties. A brand is more than a name, or mark. Each brand element has its own strength and weakness.

The key to brand equity is the mixture and balance between the different elements in their verbal and visual context to maximize their collective contribution:

Brand elements help in the process of consumer brain mapping and have a defining role in building brand equity. They are interdependent.

A brand name is a word or name, especially which is legally registered as a trademark, and is used by a manufacturer, or marketer, or merchant to identify its products distinctively from others of the same type and usually prominently displayed on its goods, in its advertising and promotions.

Brand name is one of the brand elements which help customers identify and differentiate one product from another. Brand names, in some cases, may not necessarily be associated with the product.

It is not all that easy to choose a brand name. Various factors are taken into consideration, and a careful analysis of the available options needs to be done. There are various categories under which a brand name can be developed. They are:

- Brand name vis-à-vis person name
- Brand name vis-à-vis location name
- Brand name vis-à-vis company name
- Brand name as an acronym
- Individual brand names.

A good Brand Name should have the following characteristics:

- It should be simple
- It should be distinct
- It should be meaningful.
- It should verbalize the product class.
- It should produce a mental image.
- It should have an emotional influence.
- It should complement the product.
- It should possess the virtue of universality.

A logo is an integral part of the overarching concept of visual identity. Though a logo is not the one and only aspect of branding, they are extremely integral to the entire process, particularly the process of creating and maintaining visual identity. A logo is an intangible asset, and yet they are an integral part of a brand's/organisation's identity. It is the symbolic representation of the business, values and practices. It is used heavily in the marketing, advertising and promotion of the product.

Logos are used to express the unique identity of products, services or organisations. A great deal of brainstorming, strategy, efforts, money and, of course, a great number of logo options (variations in colours, graphics, etc.) are expended on creating a logo, in order that it generates a representation in the consumers' minds that parallels the concept of the brand's own concept of its image. Logos are not only used for brands, but also for corporate organisations, charitable entities, government departments and NGOs.

The importance of a logo can be summarised as follows:

- The logo is the face of the brand.
- The logo injects personality into the brand.
- The logo strengthens consumer loyalty.
- The logo is a potent marketing tool.
- The logo establishes ownership.

A great logo should have the following characteristics:

- The logo should be simple – so that it is easily recognisable – yet impactful, so that it is noticeable, retained and recollected.
- It should be distinct enough to stand out in the cluttered marketplace.
- It should be adaptable enough to be reduced to the size of a small tag (without losing on legibility), and also look grand on the largest billboard, or projection screen.
- It should be created in a way that goes well with any background.
- It should be appropriate to the product category, and yet not obvious.
- The logo should be targeted at the right audience.
- It should be memorable, it should leave an impression.
- It should be timeless. It shouldn't look outdated neither for the current time, nor in the future.

Long ago packaging was meant to protect and ship a product. Today, packaging has a far more critical role in the market place. Be it bulk packaging, or a single product pack at the retail outlet, packaging today plays a very important role in the branding process. Brand managers and custodians have made packaging a 'medium' for branding and promotion, rather than just another 'cover'. In addition to all the traditional role of packaging, it serves many other key purposes, all of which influence how a brand is perceived by the consumer: Packaging is an expression of brand identity. Packaging is a tool to build relationships. Packaging facilitates communication. Packaging eases selling. Packaging protects the product.

Shape, in branding can either refer to the shape of the product, or the packaging, or both. For instance, though the shape of Pears soap is oval, its packaging is square. In some cases, such as Toblerone, the shape of the product, as well as the pack is the same – triangle. However, shape cannot work in isolation. It has to be complemented with the appropriate design and colour, in order that it stands out.

Both, graphics and colour, in combination give brands their distinct identity. Graphics are used not only to pep up the look of the brand, but to help deliver the attributes of the brand in the most impactful way possible. The 'dynamic ribbon' of Coca-Cola is a graphic that brings out the personality of the brand. Every graphic is replete with a story, an idea or a concept. Thus, every graphical element used in the branding process has been created with a solid purpose. The concept of using sound in branding is called 'Sonic Branding'. It is also termed as 'Audio Branding', 'Sound Branding', or 'Acoustic Branding', or 'Sound Logos'.

The salient features of Sound Logos are:

- Sound logo is an important part of sound branding, and is in the form of a jingle, brand music, and brand theme.
- It is a short, distinct melody, or a sequence of sound.
- It is usually placed at the beginning or ending of a radio or television advertisement.
- It is often used in combination with a visual logo.

Mascots are branding elements that help people remember the brand. It is often based on people, animal, or objects. Mascots have been noted for their ageless character, which help the target audience develop a closer relationship with brands. Mascots have well defined personalities, and over a period of time the brand and its mascot are almost inseparable. Some of the most famous Indian mascots include: the Amul girl, the green eyed Onida devil, Kelvinator's penguin, Asian Paint's Gattu, Nerolac's tiger, Fido Dido, etc.

3.12 ACTIVITY

1. You want to launch a new toothpaste in the market. Decide on an appropriate brand name for the toothpaste and then identify the elements you would use for promoting the brand. Give reasons on why you prefer the elements you have chosen.

....
....
....
....

3.13 SELF ASSESSMENT QUESTIONS

1. Discuss Keller's table - critique of brand element options.

2. Give a brief description of interdependence of brand elements.

3. What is a brand name? What are brand name categories?

4. Discuss characteristics of brand logo.

Multiple Choice Questions

1. Sound logos are a part of____________________

    a. Ear Branding
    b. Sonic Branding
    c. Branding
    d. Logo

2. The Amul girl is a______________________
    a. Graphic
    b. Mascot
    c. Celebrity
    d. School Girl

3. Which of the following statements are true:

   a. It is researched that 60% of the time people decide if they are attracted or not to a message.

   b. It is researched that 30% of the time people decide if they are attracted or not to a message.

   c. It is researched that 90% of the time people decide if they are attracted or not to a message.

   d. It is researched that 20% of the time people decide if they are attracted or not to a message.

4. Which of the following statements are false:

   a. Brand elements include the five elements of the earth
   b. Sound logos are created from drums.
   c. A logo is an integral part of the overarching concept of visual identity.
   d. A brand name has to be simple and distinct.

Answers

1. (B), 2. (B), 3. (A), 4. (A, B)

3.14 RECOMMENDED READING

Books & Papers

- Brand Society, by Martin Kornberger

Websites

- http://www.amul.com/m/amul-topical-story

- http://www.businessinsider.com/how-memorable-mascots-can-make-you-more-money-2012-1?IR=Thttp://www.chicagonow.com/marketing-strategist/2013/02/5-reasons-why-mascots-are-particularly-relevant-for-brands-with-dual-momchild-targets/

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 4

BRAND VALUES, IMAGE, IDENTITY AND PERSONALITY

Objective

After completing this chapter, you will be able to understand:

- The interrelated concepts of and differences between brand value, image, identity and personality.

Structure:

4.1 INTRODUCTION

Values. Image. Identity. Personality.

They are four different and distinct terms. Together, they drive a brand.

While Value is what buyers are willing to pay for, it is created by combining several elements. The image, identity and personality (also part of the elements) of a brand play critical roles in the buying process.

In this chapter, we shall explore each of these four terms.

4.2 BRAND VALUES

The concept of brand value is integral to the product and the brand management process. Value, in simple terms, is the quality (positive or negative) that renders something desirable or valuable. In terms of brand, the value is what the buyers are willing to pay for. Buyers or consumers do not pay only for the product's physical properties. If that were the case, there would be nothing called brand preference. Consumers prefer a particular brand because they see the brand beyond the physical properties of the product. What makes you buy a particular brand of mobiles? Is it only because of its features? Or, is it only because of the various apps that can be installed and used on that mobile? If these were the only reasons, there would not be any difference between an iphone and a Samsung, a Sony Ericson and a HTC. What rings in the difference, are the values, either inherent or added to the brand.

4.2.1 Understanding Brand Values

Brand value could mean different things to different people. While one may find value in the product features, another may find it in its functionality, while still others may find it in the price. As Mullins et al., put it very succinctly, "value is a function of intrinsic product features, service and price, and it means different things to different people."

Let's try to understand brand value from the study of the buying consideration process of consumers by Mullins et al.:

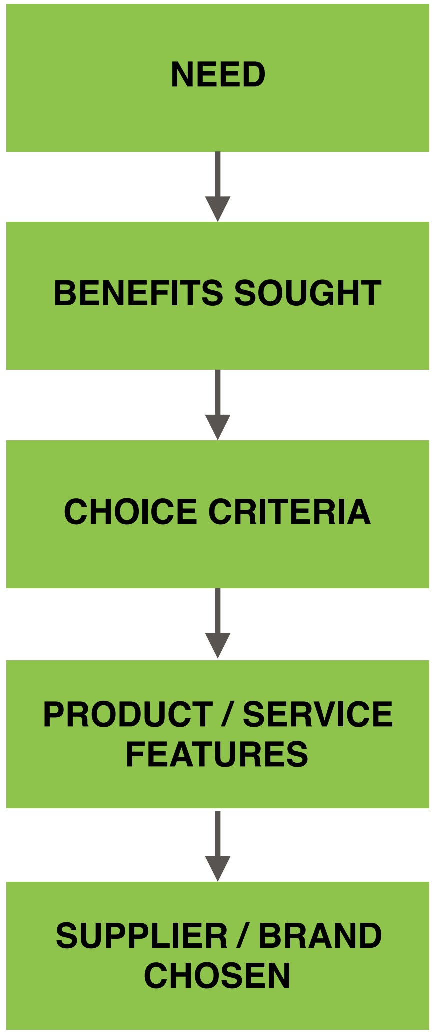

Fig 4.1: Buying consideration process.

Source: Mullins et al., 2008, 11

- The first part in the buying consideration process model is 'need'. Consumers should feel the need for a product and that need calls for satisfaction. The obvious question that first arises is: will the product satisfy my need? Hence, if there is no need, the consumer will not go further down the model.

- The second step is 'benefits sought'. In this step the consumer identifies and weighs the benefits of the product on offer. The benefits could mean different things to different consumers. It would depend on their need, choice and importance they attach to the features of the product.

- The third step is 'choice criteria'. The choice of the consumers, among other things, depends on their social image, personal standard, current emotional situations and so on.

- The fourth step 'product/ service features' depends on their perception of the product, such as appearance, quality, delivery, price, etc.

- The fifth and final step is 'supplier/ brand chosen'. This would largely depend on the image and reputation that the consumer has managed to conjure during the buying process.

Chernatony et al., define a brand as "a cluster of functional and emotional values that enable an organisation to make a promise about a unique and welcome experience." And that is exactly what Mullins et al., have portrayed in the buying consideration process. They have expressed both, the functional, as well as the emotional values that, together lead to a purchase.

Ramaswamy, in his book, 'Marketing Management: Global Perspective, Indian Context,' states that there is a need for a new perspective in understanding marketing. According to him, ignoring 'value delivery' is the root cause of all marketing problems. As for the present, he states that 'value delivery' has got blurred in the mire of marketing technologies and prescriptions.

Let's look at brand values from two perspectives: the customer perspective and the organisational perspective.

The customer perspective on brand values

From the customer perspective, brand values are associated with perceived values delivered through brand experience. Many researchers have also used the cost-benefit approach to define brand value, as a value obtained when customers' perceptions of benefits (what I get) exceed their perceptions of total cost (what I give). It simply means a trade-off, where in a consumer will buy a brand when what he perceives as benefits exceed the money he has to pay to enjoy those benefits.

What are those benefits? Depending on the product or service, the benefits consist of the consumer's desirable values, which include the function, experiential and/ or symbolic values.

The total cost would include, price, transaction costs, effort and time spent on the process of purchase.

Thus, brand value is a ratio of benefits to cost, and can be expressed as:

$$\frac{\text{Benefit}}{\text{Cost}\left(\text{Rupees, Time, Feelings}\right)} = \text{Perceived value of the brand}$$

The cost-benefit approach has, however, been opposed by many researchers on the premise that non-economic benefits are more important. Non-economic benefits, such as functional, emotional and symbolic benefits can vary in their character, depending on the kind of products or services offered to the customers.

The organisational perspective on brand values

There are two ways at looking at this. One, the brand values related to a key business asset that bring significant gains to the organisation. Two, the brand added values associated with benefits promised by the company to its customers.

According to various researchers, brand values are often included as a separate post in the balance sheet for the evaluation of the company's equity capital for mergers and acquisitions, returns on stock, and financial performance. The economic value of a brand is created by organisations through building long-lasting relations with customers, who prefer their products.

Brand added values, on the other hand, are values that are additionally created and added to the product to make it more attractive to the consumers, and as a result improve their business performance.

4.2.2 Core Values

Let's start off with a very common analogy: throw a single stick and the person whom it is thrown at will catch it. Throw several sticks and the person may get so baffled that he/she may either manage to catch one or two sticks or none. Let's take this further. Let's assume he/she may have managed to catch one or two sticks. Great, isn't it? Well, let's now get on to the brand.

A brand has several values. Let's consider these values as sticks. Marketers would love to proclaim over the roof about every single value. They would want to throw all the possible values at the consumer. However, the fact is that the consumer may either manage to catch one or two values, or nothing. Let's consider that the consumer has managed to catch one or two values out of the entire bunch. Feels great, no doubt, however, let's question ourselves: are these the same values we want the consumer to pick, as per priority? There comes the subject of defining the 'one' value, or one set of values, that stands above all others.

To identify the core values, it is necessary to consider the several dimensions of the brand. For instance, one can consider the brand associations, or the brand's performance. According to S. A. Chunawalla, what runs as a common thread through all these dimensions is the core value of the brand. It is an area of data intersection.

According to Franzen and Moriarty, the ideology of the brand is created on the basis of core values, which are of consistent nature and serve to establish the main guiding principles for brand development.

Moser observes: Core brand values reflect internal identity, which in turn serves to build the external brand. The core values reflect the essence of the brand. These values function as a basis for building a strong, cohesive brand.

To sum it up, core values form the soul of the brand. They offer a strong defence against competition. As Chunawalla puts it, "The more unique a brand is in terms of its soul, the better it is protected from the onslaught of competition."

Characteristics of core values

- Core values express the brand's motivation and boundaries, and offer a competitive advantage, along with benefits and other associated experiences.

- Brand personality, in many ways, is derived from the core values.

- Core values, expressed through various communication and promotional media, are valued by customers.

- To facilitate the previous point, a brand's core values guide the advertising agency in formulating a strong and impactful creative strategy.

4.2.3 Brand Value Proposition

Understanding value proposition

The term 'value proposition' was coined by Michael J. Lanning in the 1980s. He defined it as the essence of a business, stating that a business is a value delivery system. He termed it from the organisational point of view, but put it in clear terms that a value proposition is:

- About customers but for your organisation.

- Not addressed to customers but must drive these communications.

- Articulates the essence of the business, defining exactly what the organisation fully intends to make happen in the customer's life.

Replace the word 'organisation' with 'brand' in the above points, and that is what brand value proposition is about.

However, Cindy Barnes is of the opinion that Lanning's term has been wrongly used by many marketers and organisations. To her, value proposition is, "a clear, compelling and credible expression of the experience that a customer will receive from a supplier's measurable value-creating offering."

Kotler rates values proposition as higher than anything else, including positioning: "It is time we moved from what we call positioning thinking – which is all about why someone should buy our product – and sloganeering – or inventing words that stand for our brand – to creating value propositions."According to him, value is a ratio between what the buyer gets and what he gives up, that is the ratio between benefits and costs.

Concepts of value proposition

There are various concepts of value proposition.

One of the concepts, a combination of three approaches to value proposition is a blend of the concepts proposed by Hope and Player, and Kotler and Armstrong.

1. **Product leadership:** Innovation and swiftness are the keys, where companies need to use innovation in product development and nonetheless be quick in delivering the product to the market. It simply means that fewer funds are needed for further development since the cycle of the product is short and lesser time for profitable sale.

2. **Operational excellence:** This requires operations to focus on low cost and high quality for customers who desire a good-quality product which is also reliable and convenient.

3. **Customer intimacy:** Customer relationship and intimate knowledge about them provide a detailed database, which can help in customising the product or service to the needs of the customer. With such a virtue in place, customers will not only be willing to pay the price, but will also pledge their loyalty to the offering.

Anderson, Narus and Rossum classified value proposition (in business markets) according to three approaches – All benefits, favourable points of difference, resonating focus.

1. **All benefits:** The 'all benefits' approach focuses on all the benefits that a brand's offering might deliver to the target customers. The effort does not warrant much in terms of knowledge about customers and competitors, which is a drawback.

2. **Favourable points of difference:** This is based on the premise that the customer has alternatives and focuses on differentiating one product or service from another. However, the fact is that a product or service may have several points of difference, which may confuse the consumer as to which ones deliver the greatest value. There are chances that marketers may, without detailed understanding of the consumer's requirements and preferences, stress points of difference that deliver relatively little value.

3. **Resonating focus:** This approach acknowledges that managers are hard-pressed for time and that they want to do business with suppliers who possess a good understanding of the critical issues in their business and deliver a customer value proposition that is simple, yet captivating.

Cindy Barnes, Helen Blake and David Pinder, in their book 'Creating & Delivering Your Value Proposition' have proposed the Value Proposition Builder.

The Value Proposition Builder is not just a theoretical concept. It has been applied and proven in many real client situations. The model comprises of a six-step iterative process, which is explained in detail, below.

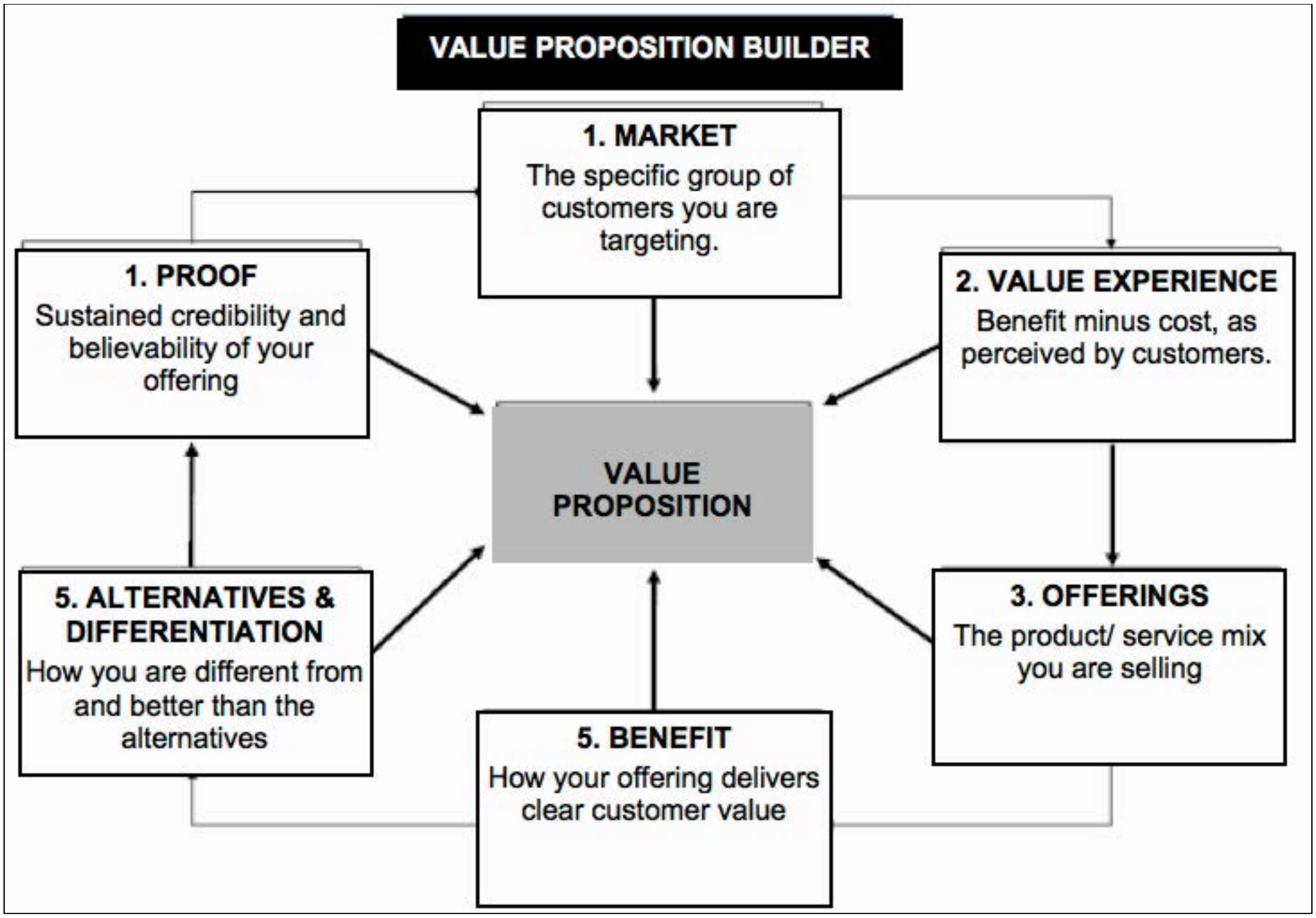

Fig 4.2: Value proposition builder.
Source: Creating & Delivering Your Value Proposition – Cindy Barnes, Helen Blake & David Pinder.

With reference to fig 4.2, following is the summary of the explanation provided by Barnes, et al., to suit brands:

1. Market
Define the market. Whom do you wish to talk to? It is very necessary to identify the target group to which you would want to direct your communication about the values of your brands.

2. Value Experience
The next step involves defining and analysing the value experience that consumers would get from your brand. Defining the good, bad and neutral experiences are obviously necessary. However, what will really make the next step more fruitful is defining the 'wow' factor.

3. Offerings

In this step, one needs to define the product/ service mix capable of leveraging the value experience you have just defined in the step 2.

4. Benefits

This step enables you to assess the benefits of the offering in the context of value experience you are able to deliver to the market group. The cost component of benefits (price and consumer risks) enable the calculation of value, where Value = Benefits minus Cost.

5. Alternatives and Differentiation

How the benefits provide alternatives and differentiation for the brand, is what you would be able to assess in this step.

6. Proof

Finally, you have got to back up all that you have so far devised and propose to communicate with relevant, substantiated proof.

Barnes et al., have broadly divided the steps into two parts: Steps 1, 2 and 3 represent the 'deconstruct' part of the cycle, that is, the process of breaking down and analysing the background. Steps 4, 5 and 6 represent the 'reconstruct' part of the cycle, where in by understanding the market and consumer needs, you build up your value proposition with strong, relevant and compelling benefits, alternative and differentiation, and proof.

Moore and Pessemier consider value creation as a four-step process, which include:(1) Identifying the value opportunity, (2) Developing the opportunity (by engineering, technical, R&D, marketing and managerial personnel), (3) Producing the value, (4) Adding the value by marketing support, (5) Retaining the value.

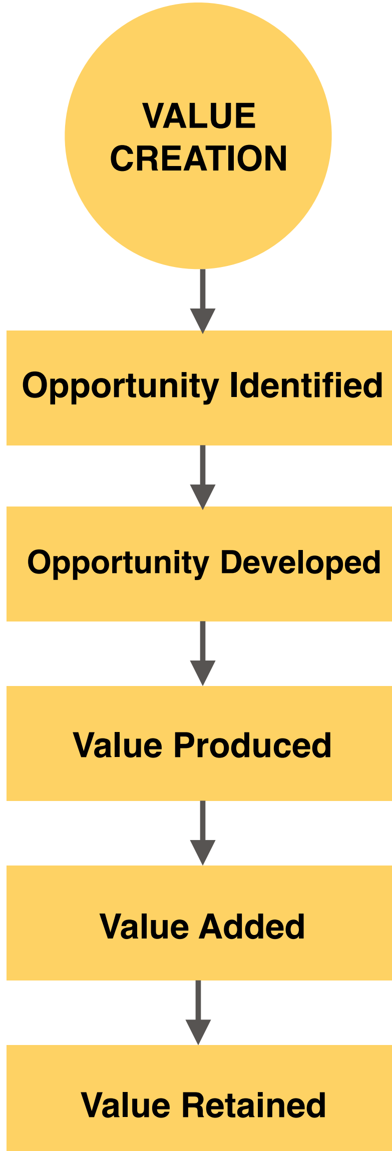

Fig 4.3: Value creation

Source: Product/ Brand Management, S.K. Chunawala

MacDivitt and Wilkinson propose a somewhat similar four-step process, which focuses on consumer understanding, differentiation factors, quantifying the differentiators and communication. They propose creating value by the following four steps:

1. **Understand the consumer:** Understanding the consumer is the most important requirement when creating value. This step should focus on attaining deep knowledge and understanding about the customers, which could also include aspects that may seem to be as trifling as their dreams, aspirations, favourite colours, shapes, without discounting the major information such as price sensitiveness, tradition, culture and attributes of the target group.

2. **Know your differentiation:** Differentiating your brand from the others is critical, as it amounts to understanding the competitive framework thoroughly and devising ways and means to be different from the competition. The differentiation can be sought in quality, function, aesthetics, or even price. Whatever the differentiation identified, it should be strong and impactful, and preferably something that cannot be replicated by the competition.

3. **Quantify the differentiators:** Quantifying the differentiator is done from the consumer's point of view where revenue gains, cost reductions and emotional contributions are interpreted according to the consumer's financial terms.

4. **Communicate the differentiated value:** Creating the value is not enough. It has to be communicated, effectively and persuasively.

4.2.4 Values Beyond Functional Benefits

It is quite natural to assume that consumers see functional benefit as the most important value. David Aaker says that a functional benefit is appealing, especially for consumers in the high-tech or B-to-B sectors, who are rational and will be swayed by functional benefits. This set of consumers will give functional reasons on why they choose a brand or reject it, as it would not reflect well on them and their decision making. However, there is much evidence from researchers and writers that customers are far from rational. Rejecting or accepting a brand is less because of functional reasons, and more because of many other underlying factors.

For Aaker, strategies based on functional benefits are often ineffective or limiting because:

- Conflicting claims of competitors can rub off the believability that a particular brand has a functional advantage.

- If the functional benefit represents a point of differentiation, it can be quickly copied by the competition.
- The benefit may not represent a basis of a strong, long-term relationship because there is no emotional attachment.

- A strong functional association limits or confines the brand, especially when it comes to responding to changing markets or exploring brand extensions.

Aaker offers three succinct statements to help brand custodians go beyond functional benefits and strategise on the basis of emotive factors: (1) When I buy or use this brand, I feel _________ (Emotional benefits), (2) When I buy or use the brand, I am__________ (Self expressive benefits), (3) When I buy or use the brand, the type of people I relate to are_____________ (Social benefits).

1. Emotional benefits

Emotional benefits relate to what one feels while buying or using the brand. It is the ability of the brand to make the customer feel something during the buying process. Thus, a consumer feels confident when he buys or uses a Nike. A Bisleri gives us the feeling of safety because of its purity. A Domino's gives us the feeling of togetherness with family and friends. According to Aaker, emotional benefits add richness and depth to the brand and the experience of owning and using the brand.

2. Self-expressive benefits

Emotional benefits relate to how one identifies oneself with the brand while buying or using it. When a brand provides a self-expressive benefit, the connection between the brand and the customer is likely to be heightened. Aaker states that brands and products, as symbols of a person's self-concept, can provide self-expressive benefit by providing a vehicle by which a person can express him- or herself. For example, using an Apple computer or phone is cool, or consuming a Mountain Dew is all about being adventurous.

3. Social benefits

It is common for individuals to have a sense of belongingness with a group, be it friends, colleagues, family and other groups. This intense drive can generate immediate and long-term rewards. Social benefits refer to how the brand helps consumers relate to their different groups. The best example of social benefits is seen in the bikers groups, where people with the common liking for bikes and biking get together, which has a strong influence on the members' choice of brands.

4.2.5 Porter's Value Chain

We have discussed in length about brands. Now, let's shift a bit and discuss about how value can be created for organisations. Before that it is imperative to understand the fact that even organisations are brands in themselves. For example, Apple or Google are not just organisations, but strong brands in their respective industries. Just as brands of products and services, organisations too need to create values.

In his book 'Competitive Advantage' Michael Porter introduced the concept of Value Chain, which proposes separating the business system into a series of value-generating activities, in order to develop a competitive advantage and create shareholder value.

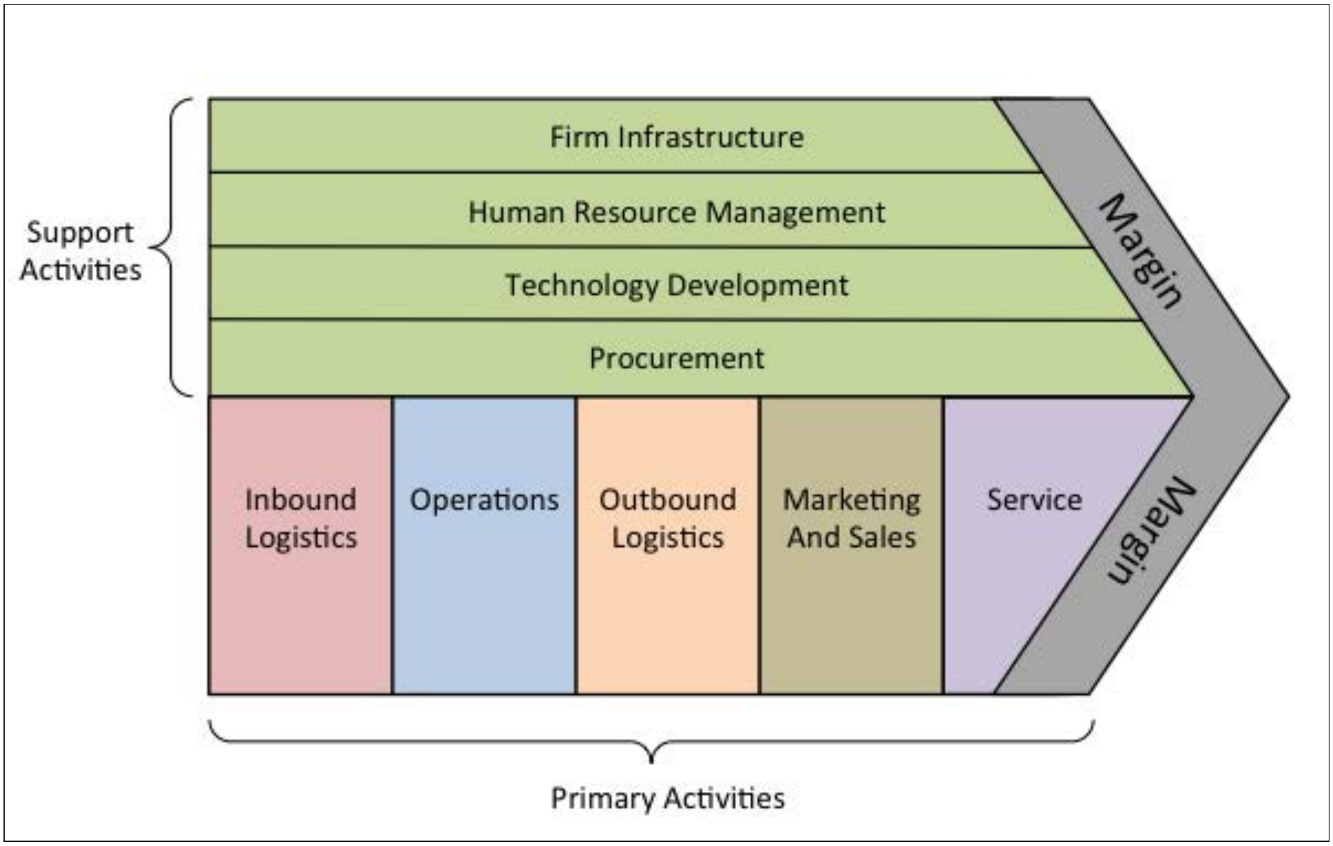

Fig 4.4: Porter's value chain.

As shown in Fig 4.4, Porter identified primary and support activities, the goal of which is to offer the customer a level of value that exceeds the cost of the activities, thereby resulting in a profit margin.

The model is divided into two parts: Primary activities and support activities.

1. Primary activities

The primary value chain activities comprise of:

- Inbound logistics, which involve the receiving and warehousing of raw materials, and their distribution to manufacturing as required.

- Operations, which relate to the processes of transforming inputs into finished products and services.

- Outbound logistics, which take care of the warehousing and distribution of finished goods.

- Marketing and sales, which includes the identification of customer needs and sales generation.

- Service, which involves offering support to customers after the products and services are sold to them.

2. Support activities

Support activities are that which support the primary activities in the following ways:

- Organisation supports the activities through its infrastructure, organisational structure, control systems, company culture, etc.

- Human resource management becomes a strong support by the right recruitment practices, training, development and compensation of human resource.

- Technology development supports value-creation activities.

- Procurement of materials, supplies and equipment is also a support activity.

There is a definite cost involved in each and every component in the value chain. The firm's margin or profit would depend on its effectiveness in performing these activities efficiently, so that the amount that the customer is willing to pay for the products exceeds the cost of the activities in the value chain.

The importance of the value chain model lies in its ability to define a firm's core competencies and the activities in which it can pursue a competitive advantage in the form of:

- **Cost advantage**

On defining the value chain, a cost analysis can be performed by assigning costs to the value chain activities. Porter identifies 10 cost drivers related to value chain activities:

1. Economies of scale
2. Learning
3. Capacity utilisation
4. Linkages among activities
5. Interrelationships among business units
6. Degree of vertical integration
7. Timing of market entry
8. Firm's policy of cost or differentiation
9. Geographic location
10. Institutional factors (regulation, union activity, taxes, etc.)

By controlling the above-mentioned drivers, a firm can develop a cost advantage.

❖ **Differentiation**

The value chain model also offers the advantage of differentiation. A differentiation advantage may be achieved, either by changing individual value chain activities to increase uniqueness in the final product, or by reconfiguring the value chain. Porter identifies several drivers of uniqueness:

1. Policies and decisions
2. Linkages among activities
3. Timing
4. Location
5. Interrelationships
6. Learning
7. Integration
8. Scale (Example, better service as a result of large scale)
9. Institutional factors

Many of the above also serve as cost drivers, and differentiation results in greater costs, resulting in trade-offs between cost and differentiation.

4.2.6 Levitt's Four-level Brand Model

Levitt (1980) proposed a four-level model of a brand, which is helpful in understanding the levels at which added values can be incorporated into the brands.

- **Generic Brand**

This level is the most basic functional level. At this level, the generic features of the product are at play. The term 'generic' means non-specific or general, and therefore at this level the brand is viewed from a very general perspective, such as television of Sony, mobile of Samsung, home loans from HDFC, etc. At this level, it is very easy for competitors to come up with me-too versions of the product.

- **Expected Brand**

'Expected' as the word suggests means the consumer has some minimum expectations from the brand, which could include minimum characteristics, such as name, packaging, availability, price, quality and so on. All competing brands are differentiated on these attributes. The added values at this level are functional attributes.

- **Augmented Brand**

Unlike the 'expected brand' level, where there is a minimum expectation from the brand, the augmented level focuses on offering the best value to a brand. So, how are brands augmented at this level? They are augmented by the addition of further benefits and may be treated in terms of satisfying motivational needs. At this level, discriminating factors such as functional features or emotional features like brand personalities are used. Earlier, scooters had to be kick-started. Later, manufacturers of scooters augmented the product by adding the benefit of push-button starts. Similarly, the bright-coloured scooties used the discrimination factor to augment the brand to fit women, in particular. Duracell batteries used the functional discriminator of durability.

- **Potential Brand**

There is always a risk of augmented brands to bounce back to the expected level, as augmentation, over a period of time, becomes standardised and is taken for granted. Therefore, it necessary to use innovative approaches to push the brand to the potential level by adding new added values.

4.2.7 Kano's Value Dimensions

According to Dr. Noriaki Kano's extensive research, customers experience value at three different dimensions: basic, expected and unanticipated. The model provides key insights into the dynamics of how consumers arrive at some outcome, by comparing expectations with experience. While the basic is what consumers perceive as a ‘must’ in the brand, expected is the predictable aspects, while in the unanticipated is the real ‘wow’.

1. Basic Value

Basic value consists of those aspects of the product and value delivery that are taken for granted when the product/ service is bought. For example, the basic value factors in a shopping mall could include the centrally air-conditioned ambience, sparkling clean environment, spaciousness, parking, etc. Having these basic things in place would perhaps not assure of our loyalty, but not having these basics will definitely take us away from the place.

2. Expected Value

These values are naturally expected from good brands. Let’s continue with the example of a mall. While your basics have got to be there, the expected is predictable. The expected value factors in a shopping mall could include an array of reputed outlets, multi-brand choices, an exclusive food court, playing area for children, etc. However, as most malls offer these expected values, these do not contribute to significant loyalty advantage. These, in fact aggravate competitiveness. In the fiercely competitive market basic and expected values do not provide a competitive advantage. This is where the unanticipated value comes in.

3. Unanticipated Value

These are values which are not usually expected. They are unanticipated and beyond the norm, but which delight us, surprise us and pamper us. For example, let us imagine that the mall registers the shopper’s name at the entrance, and the shopper is given a plastic card, containing a chip with the registered shopper’s details embedded in it. Now, every time the shopper enters any outlet, sensors at the door of the outlet grab the details embedded in the chip and flash it on a computer screen. The announcer immediately announces, “Welcome” followed by the shopper’s name. Now, that is an ‘extra’. There can be many such instances and situations created in the mall which will offer the shopper unanticipated value.

4.3 BRAND IMAGE

To understand brand image, it is imperative that we understand product image. The product image is formed by the knowledge that the consumers have about the benefits a product offers or values it delivers, including some other aspects of the product such as the class of people who use it, the ingredients, the nature of advertising employed to promote it, and the corporate image of the company that manufactures or markets the product. Thus, product image is the sum total of all the information that the consumer has about it, and the decisive impressions he has formed about it.

However, in the competitive market, all products are identical largely because of similarity in the functional benefit. That's where brand image comes into picture.

4.3.1 Defining Brand Image

Brand image has been an integral part of consumer research since the 1950s. Gardner and Levy have been credited with crystallising 'brand image' in a meaningful form. They claimed that earlier researches on brand image were superficial in its focus on stereotypical purchase reasons, and suggested scratching beneath the surface to identify more enduring motivations for purchase.
While we shall explore Gardner's and Levy's definition, it is worthwhile to also quote a study by Dawn Dobni and George M Zinkhan (1990), which attempts to decode 'brand image' through the various definitions that, according to their review, have not necessarily remained stable over a 35 year time period.

They have grouped definitions of brand image into 5 categories: (1) Blanket definitions (2) Emphasis on symbolism (3) Emphasis on meanings or messages (4) Emphasis on personification (5) Emphasis on cognitive or psychological elements

(**Note:** While the researchers have an exhaustive list of definitions in each category, for our understanding, we shall only explore a select few. It is therefore advised that the student also refer to the research following the citation: Dawn Dobni and George M. Zinkhan (1990) ,"In Search of Brand Image: a Foundation Analysis", in NA - Advances in Consumer Research

Volume 17, eds. Marvin E. Goldberg, Gerald Gorn, and Richard W. Pollay, Provo, UT: Association for Consumer Research, Pages: 110-119.)

1. Blanket Definitions

Newman (1957): A brand can be viewed as a composite image of everything people associate with it. These impressions determine how a prospective buyer feels about it and influence his selection. Brand images may have several dimensions: functional, emotional, social, psychological...the limits are set by the brand image built through styling and advertisements as well as other product attributes.

Herzog (1963): Brand image is the sum total of impressions the consumer receives from many sources. All these impressions amount to a sort of brand personality which is similar for the consuming public at large, although different consumer groups may have different attitudes toward it.
According to Dawn and George, “Several of the definitions are so broad that they seem to contribute little to a refined understanding of the brand image concept. While it is therefore difficult to compare these to other more systematic definitions, it is important to acknowledge them because they are rather effective expressions of the general sense of brand image as an abstraction.”

2. Emphasis on symbolism

Levy (1959): (a) People buy things not only for what they can do, but also for what they mean...The things people buy are seen to have personal and social meanings in addition to their functions. (b) To ignore or decry the symbolism of consumer goods does not affect the importance of the fact. It will suffice to say that in casual usage symbol is a general term for all instances where experience is mediated rather than direct; where an object, action, word, picture or complex behaviour is understood to mean not only itself but also some other ideas or feelings (c) A symbol is appropriate (and the product will be used and enjoyed) when it joins with, meshes with, adds to or reinforces the way the consumer thinks about himself.

Noth (1988): From this perspective (i.e. semiotics) commodities are studied as signs whose meaning is the consumer’s ‘brand image’. Semantic components of brand image...include technical matters, product characteristics, financial value or social suitability. Semiotically, such components constitute the signified (or content) of the product, while the material object is the signifier of the commodity as a sign.

According to Dawn and George, "While the reference to symbolism might ordinarily arouse connotations of the unconscious, these definitions seem generally to view this concept in a much broader and more public perspective. They imply that some personal or social meaning or value must be consciously attached to the product, and that products, as symbols, will only be used if they reinforce the consumer's self concept. These symbols are said to have several roles in that they represent personal attributes, goals, social strivings and patterns, and serve as communication devices between individuals and their significant referents."

3. Emphasis on meanings or messages

Levy and Glick (1973): (a) The concept of brand image aptly sums up the idea that consumers buy brands not only for their physical attributes and functions, but also because of the meanings connected with the brands (b) ...imagery is a mixture of notions and deceptions, based on many things. At times, imagery is indeed largely an illusion. (c) An image is an interpretation, a set of inferences and reactions to a symbol because it is not the object itself, but refers to it and for it.

Swartz (1983) Product Message: In symbolic consumer behaviour, interest lies in investigating the role of products as "messages" or "non-verbal communication" transmitted by the user/owner. Attention needs to be given to differentiating the message the product sends as a marketing strategy.

According to Dawn and George, "The distinctive criterion associated with this category is a focus on the underlying meaning that consumers ascribe to a product. These definitions propose that because what each brand in a product category denotes or does may not be very different from what any other brand does, in order to differentiate itself each must rely on what it connotes or means to the consumer."

4. Emphasis on personification

Sirgy (1985): Products are assumed to have personality image, just as people do...These personality images are not determined by the physical characteristics of the product (e.g. tangible products, suppliers, and services) alone, but by a host of other factors such as advertising, price, stereotype of the generalised users, and other marketing and psychological associations.

Hendon and Williams (1985): Also known as “brand personality” or “brand character”, it involves nothing more than describing a product as if it were a human being. This is an effective way of generating interest because people favour products that match their own self interest.

According to Dawn and George, “Relating brand image to personality is intuitively appealing on many grounds. Both are multidimensional, and both appear to operate at the same level of abstraction.”

5. Emphasis on cognitive or psychological elements

Gardner and Levy (1955): (a) The sets of ideas, feelings and attitude that consumers have about brands. (b) The social and psychological nature of products. (c) ...a character or personality that may be more important for the overall status (and sales) of the brand than many technical facts about the product.

W. H. Reynolds (1965): An image...is the mental construct developed by the consumer on the basis of a few selected impressions among the flood of total impressions; it comes into being through a creative process in which these selected impressions are elaborated, embellished and ordered.

According to Dawn and George, “Such unity as exists within this group stems from the fact that each stresses a cognitive or mental process by which brand image is said to be triggered. They concentrate on mental effects by naming any one of "ideas", "feelings", "attitudes", "mental constructs", "understandings" or "expectations" as the cardinal determinant of brand image. While most of these definitions may not be directly traceable to Gardner and Levy's initial conceptualization of brand image as "a consumer's feelings, attitudes and ideas towards a brand", most seem to have been influenced by it.”

4.3.2 Understanding Brand Image

Based on what has been discussed in 4.3.1, it is clear that the definition of brand image is rather fuzzy, further complicated by the many perspectives, arguments and counter-arguments.

However, it is imperative to understand what researchers have identified as some common, standard principles of brand identity.

Kevin Lane Keller attaches a lot of importance to brand knowledge and associations while defining brand image. Referring to the definitions by Herzog and Newman, and an associative network memory model of brand knowledge, he defines brand image as perceptions about a brand as reflected by the brand associations held in a consumer's memory.

What is brand association? It is anything that is linked in memory to a brand. Aaker lists the following types of associations: (1) Product attributes (2) Lifestyle/Personality (3) Intangibles (4) Customer benefits (5) Relative price (6) Use/Application (7) Celebrity/Person (8) Product class (9) Competitors (10) Country/Geographic area.

(**Note:** Brand associations will be discussed elaborately in Chapter 5.)

Thus, different types of brand associations make up the brand image. The brand image would also depend on:

Favourability of brand associations refers to how favourably the associations are evaluated by the consumer. A positive brand attitude is formed when consumers believe the brand has attributes and benefits that satisfy their needs and wants.
Strength of brand associations depends on how the information enters consumer memory (encoding) and how it is maintained as part of the brand image (storage).

Interaction among characteristics of brand associations refers to the level of abstraction and qualitative nature of brand associations which affect their favourability, strength and uniqueness.

Congruence of brand associations is defined to the extent to which a brand association shares content and meaning with other brand association. The congruence among brand associations determines the "cohesiveness" of the brand image – the extent to which the brand image is characterised by associations or subsets of associations that share meaning.

From the above discussion, we can conclude that brand image is the result of knowledge/ experience/exposure, perception, brand personality and brand associations.

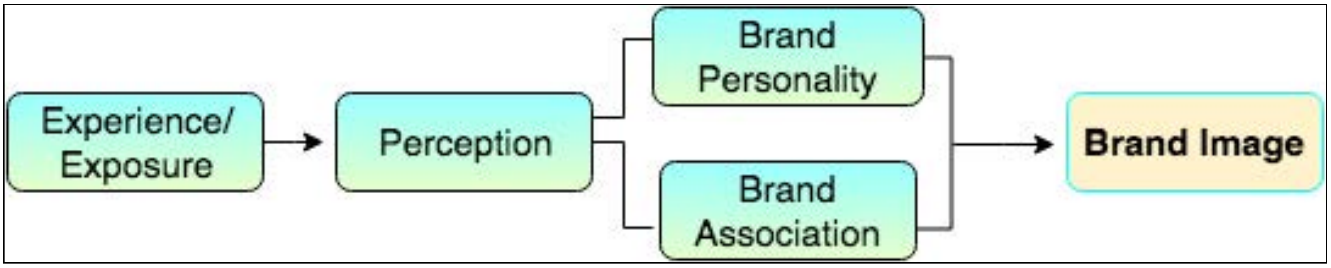

Fig 4.5: Concept of brand image

4.3.3 Brand Beliefs and Brand Image

Consumers have some associations with the product. Brand managers weigh these associations in terms of their importance. Every brand is positioned on these associations, which converge into the brand belief. Brand beliefs together make up the brand image.

Mark Di Somma, in his article 'Brands And Beliefs' (www.afaqs.com), states: "For me, brands, and more particularly the cultures that support them, should be seen as belief systems rather than pure-play marketing systems. Purpose, values and ethics are the oxygen of successful marques because they inspire consumers to see qualities in brands they choose that make them feel more human, more real and more desirable."

Somewhere around the year 2002, Bcom 3 Group-agency Leo Burnett announced the launch of its global branding philosophy in India, called Brand Belief System. It is a trademarked branding practice that is, in some way, the antithesis of positioning. The premise around this philosophy is that brand building through 'positioning' is obsolete. So in order to survive and flourish in a fiercely competitive environment, brands should attempt converting 'buyers' into 'believers' – by fostering a relationship with them.

Arvind Sharma, managing director, Leo Burnett India, observes that, "Brand belief is to the twenty-first century what 'positioning' was to the twentieth."

John Woodward, Regional Planning Director, Leo Burnett Asia, asserts that, "Weak brands are those that build brand behaviour, while great brands build brand beliefs. And belief creates loyalty, which can boost a brand's profits by as much as a hundred per cent. It is a well-researched fact that even a minority segment of brand believers contribute hugely significant volumes. So the obvious thing to do is grow the number of believers."

The consumer's brand beliefs are a matter of perception, and will vary with experience, and the nature of perception.

The influence of beliefs in the formation and changes in attitude toward a brand can be best explained using different models, of which Expectancy-Value Models have been presumed to be quite beneficial.

- **Expectancy-Value Models**

Expectancy-Value Models are analytical processes that explain how consumers form and change attitudes based on (1) the beliefs or knowledge they have about an object or action and (2) their evaluation of these particular beliefs.

One of the expectancy model, called Theory Of Reasoned Action (TORA) provides a detailed view of how, when, and why attitudes predict consumer behaviour.

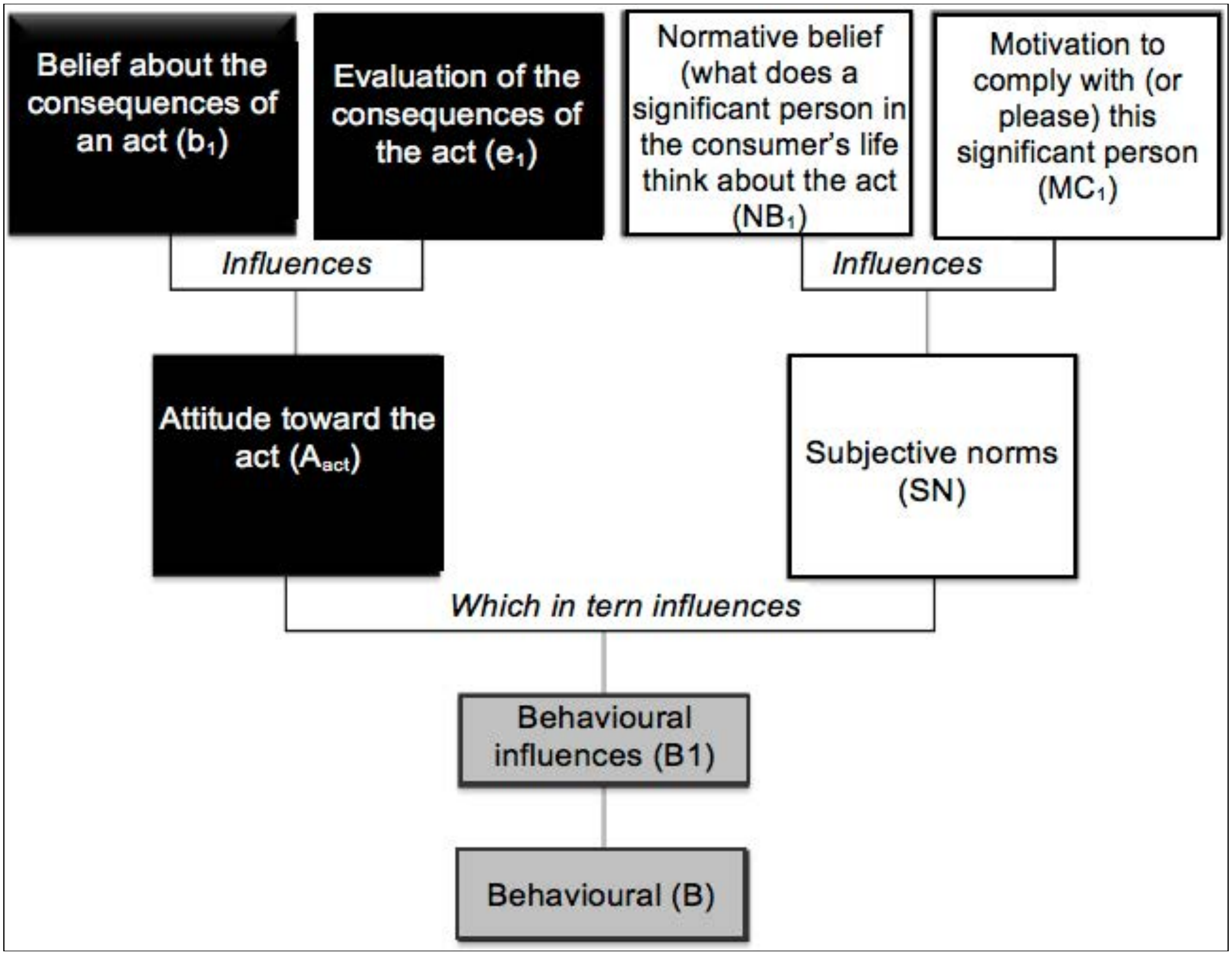

Fig 4.6: Theory Of Reasoned Action (TORA)

Source: Consumer Behaviour, Wayne D. Hayer, Deborah J. Macinnis, Rik Pieters.

Theory Of Reasoned Action (TORA), as shown in Fig 4.6, is an Expectancy-Value Model that proposes how beliefs influence attitudes and norms, which in turn affect behaviour.

As explained by Hoyer et al., the model proposes:

1. Behaviour (B) is a function of a person's behavioural intentions (BI).

2. BI, in turn is determined by (1) the person's attitude toward the act (Aact) and (2) the subjective norms (SN) that operate in the situation.

3. Aact is determined by the consumer's beliefs (b1) about the consequences of engaging in the behaviour and the consumer's evaluation (e1) of these consequences.

4. SNs are determined by the consumer's normative beliefs (NB1) – or what the consumer thinks someone else wants him or her to do – and the consumer's motivation to comply (MC1) with this person.

4.4 BRAND IDENTITY

Even before we can discuss brand identity, it is necessary to understand that image and identity, though interrelated, are different. Unfortunately, many fail to see them as two different concepts and use them as synonyms. Brand identity is the way in which the brand presents itself to the consumer, as opposed to brand image which is a perception of a brand among the consumers. It is thus clear that brand identity has to be created, in order that the brand presents itself the way marketers want it to be seen.

4.4.1 Defining Brand Identity

According to Aaker, brand identity provides strategic direction, purpose and meaning for a brand, and it is one of the main drivers for brand equity (Refer Chapter 5, Brand Equity). He defines brand identity as, "A unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organisation members. Brand identity should help establish a relationship between the brand and the customer by generating a value proposition involving functional, emotional or self-expressive benefits."

According to Duncan, brand identity is the design of the public face or distinctive visual appearance of the brand. Going by Duncan, the components of brand identity include the choice of brand elements (Refer Chapter 3, Brand Elements). For Keller, too, brand identity reflects the contribution of all brand elements to awareness and image. The consistency among brand elements furthers cohesiveness of the brand identity.

Kapferer draws a clear-cut distinction while explaining brand identity and brand image. According to him, while the brand identity is on the sender's side, the image is always on the receiver's side. The sender here is the organisation or brand strategist, who creates the brand identity and sends it to the receiver (consumer). Refer Fig 4.7.

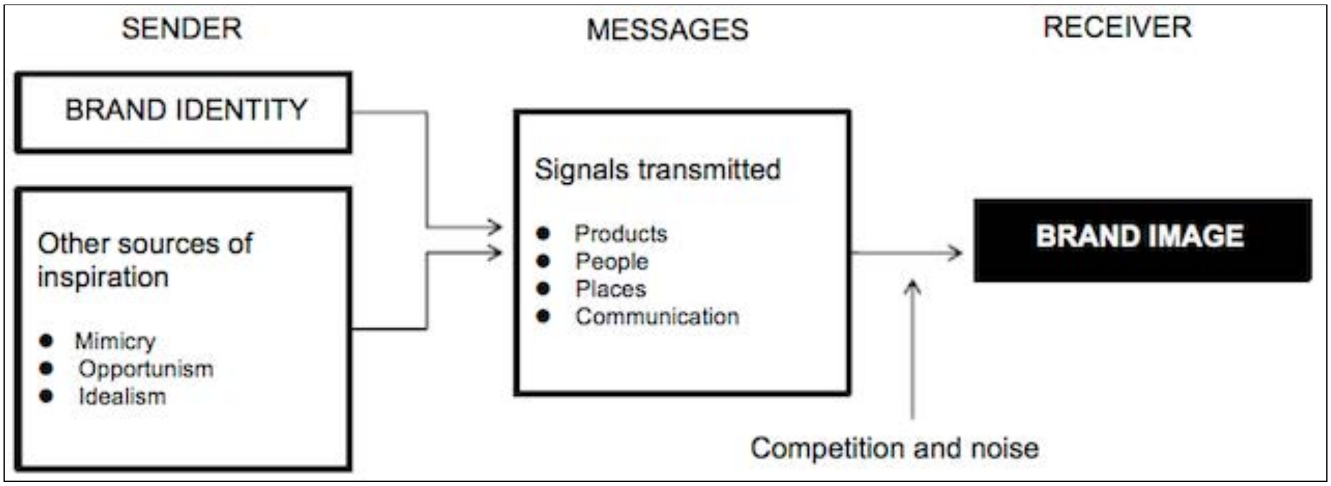

Fig 4.7: Identity and image

Source: Jean-Noel Kapferer

According to Van Gelder, brand identity declares its background, its principles, its purpose and its ambitions.

If we consider Kapferer's 'sender' as the organisation, then, Nandan's opinion holds good stead, that brand identity originates from the organisation that is responsible for creating a differentiated product with unique features.

As for Copley, the brand identity is the way in which the organisation presents itself to consumers. Thus, brand identity has to be created through the use of some signs and symbols to capture the essence of the organisation.

Meyers maintains that brand identity is the way a brand is expressed visually and verbally.

4.4.2 Components of Brand Identity

Harris and Chernatony propose the following components of brand identity:

1. **Brand vision:** What is the core purpose of the brand? This is what is defined in the brand vision, which states the purpose of a brand's existence and represents a set of values.

2. **Brand culture:** This aspect provides directions and guidance.

3. **Brand positioning:** It refers to the characteristics and attributes that make the brand unique and seeks to convey to consumers the benefits that are being offered (Refer Chapter 9, Brand Positioning).

4. **Personality:** It refers to the emotional characteristics of the brand and is influenced by positioning and core values.

5. **Marketing communication:** This is essential in order to communicate and establish the brand in the consumer's mind.

6. **Relationships:** These are formed between employees, consumers and stakeholders on the basis of the vision and culture of the brand.

7. **Presentation styles:** Taking into consideration the consumers' needs and aspirations, presentation styles are created to present the brand identity.

8. **Brand elements:** The right choice of brand elements is necessary to capture the essence of the brand.

4.4.3 Brand Elements and Brand Identity

According to Keller, brand elements and brand identity are often used parallelly to identify the brand, to enhance brand awareness and to facilitate brand associations, which eventually lead to differentiation in the brand. He uses the following conventional brand elements that form the visual identity of a brand as the key elements: logo, name, slogan and brand stories.

Brand elements are those trademark-able devices that help identify and differentiate the brand. According to Keller, the main brand elements are brand names, URLs, logos, symbols, characters, spokespeople, slogans, jingles, packages, and signage. According to him, choosing the right brand elements is important, as they enhance brand awareness and facilitate the formation of strong, favourable, and unique brand associations. He has charted broad criteria that are useful for choosing and designing brand elements to build brand equity: (1) memorability, (2) meaningfulness, (3) aesthetic appeal, (4) transferability (both within and across product categories and across geographical and cultural boundaries and market segments), (5) adaptability and flexibility over time, and (6) legal and competitive protectability and defensibility. Each brand element will have its own strength and weakness.

Achieving the right brand identity involves creating brand awareness, which initially involves linking the brand – brand name, logo, symbol and so forth – to certain associations in memory. That is, brand elements can be chosen to enhance brand awareness; facilitate the formation of strong, favourable and unique brand associations; or elicit positive brand judgments and feelings (Keller, 2001, 2003). Brand elements help in the process of consumer brain mapping and have a defining role in building brand equity. Consumers over period are able to identify the brand through brand elements. This is one of the key reasons, why brand custodians choose brand elements, which can effectively communicate about the brand and its point of difference from competing brands.

(Refer Chapter 3, Brand Elements)

4.4.4 Kapferer's Brand Identity Prism

Jean Noel Kapferer proposes a hexagonal theory of brand identity which he calls a Prism. The Prism consists of 6 identity facets: physique, personality, culture, relationship, reflection and self-image.

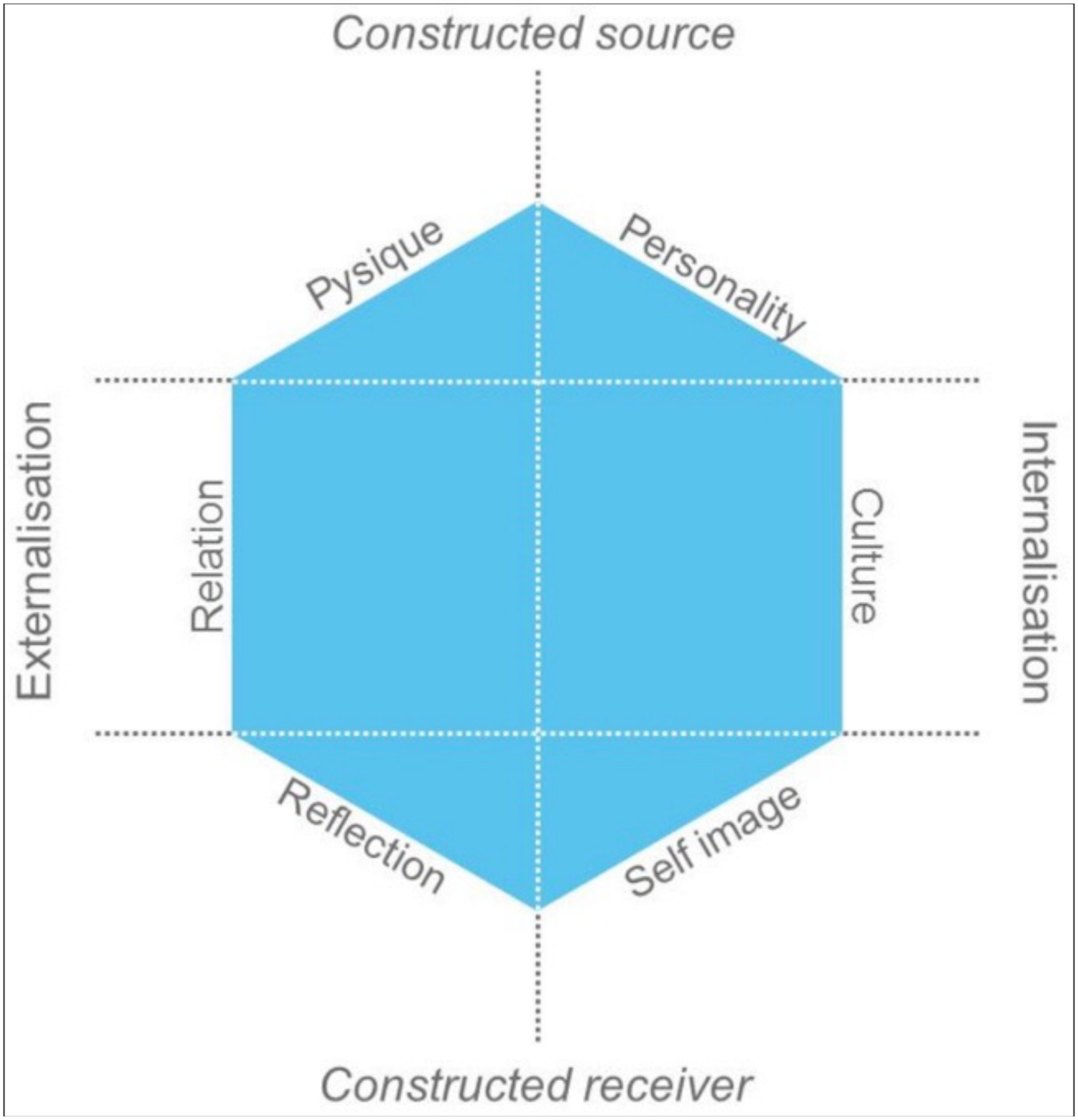

Fig 4.8: Jean-Noel Kapferer's Brand Identity Prism

The 6 identity facets express the tangible and intangible characteristics of the brand and give it a unique authority and legitimacy of values and benefits.

- **Physique:** It is the exterior tangible facet that focuses on the physical specifics such as colour, form and brand qualities. Physique is what the consumer sees and therefore it is the starting point of branding.

- **Personality:** It is the internal, intangible facet of the brand, which comprises of the brand's character, soul and overall brand personality.

- **Culture:** It is the internal, intangible facet to integrate the brand into the organisation, which is essential in creating differentiation.

- **Relationship:** It is the exterior facet with both, tangible and intangible areas. It defines the way the brand connects with the consumers.

- **Reflection:** It is an external intangible facet reflecting the consumer as he or she wants to be seen as a result of using a brand – the target's external/ outward mirror.

- **Self-image:** It is an external intangible facet that reflects the consumer's inner thoughts and attitude toward the brand – the target's internal mirror.

Brands will not stay forever the same. They will evolve. During this evolution, to manage and balance identity changes across the facets in a guided and preferred direction, it is vital that organisations understand the key brand drivers. Kapferer has captured this in a three-tiered pyramid. The pyramid concept enables differentiated change management across identity facets by grouping them in a pyramid layer.

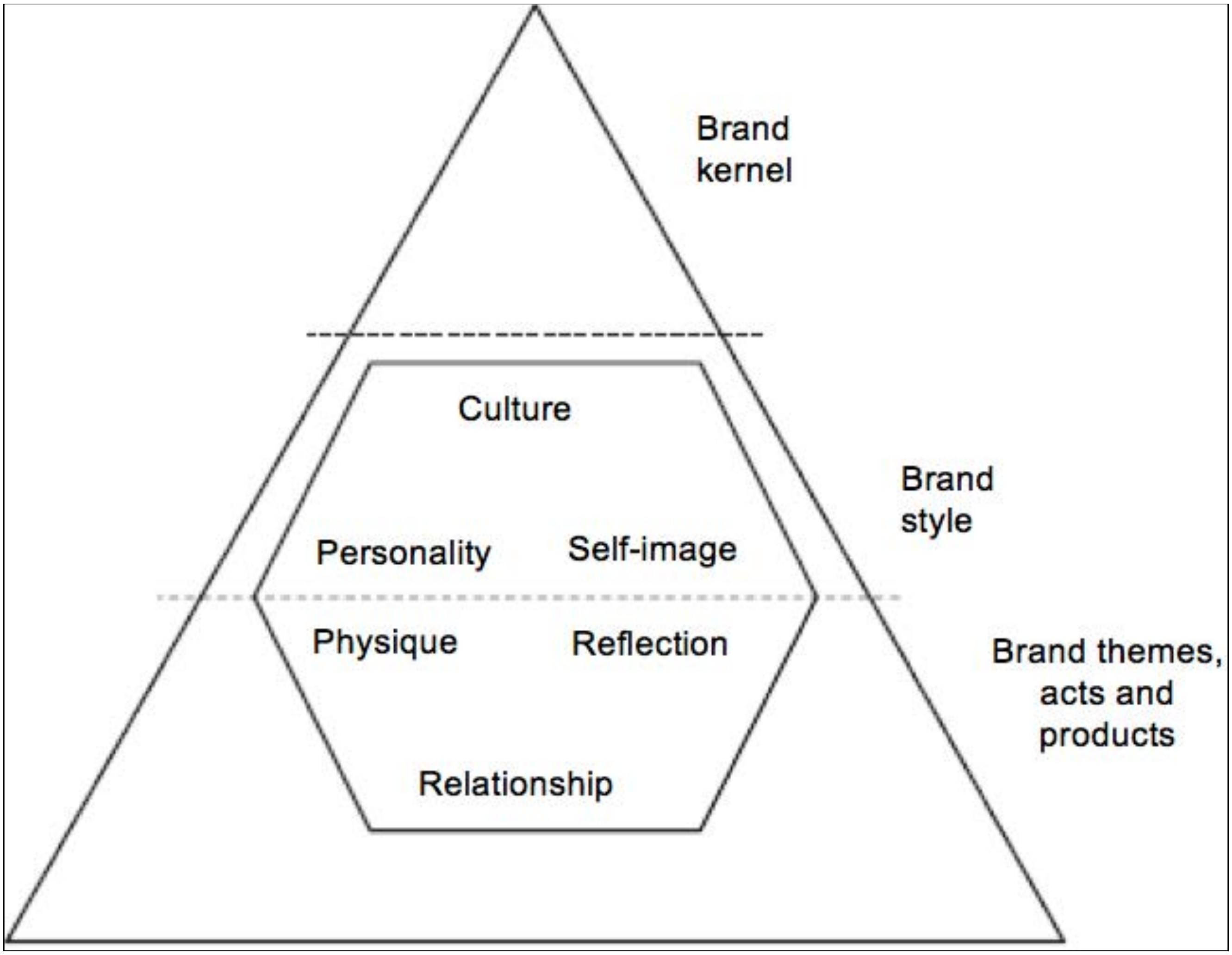

Fig 4.9: Jean-Noel Kapferer's Three-tiered Pyramid.

In the above three-tiered pyramid, Kapferer has positioned the identity prism within the pyramid. The pyramid offers three levels of freedom and flexibility to manage and balance identity changes: (1) the brand kernel, (2) the brand style, (3) the brand themes, acts and products. The bottom offers maximum flexibility and freedom. However, as we move up the pyramid the flexibility and freedom taper.

4.4.5 Aaker's brand identity model

Aaker's brand identity model comprises four different perspectives and 12 dimensions. The four dimensions in his model are: (1) Brand as product, (2) Brand as organisation, (3) Brand as person, (4) Brand as symbol. The 12 dimensions, as per their relevance are spread across the perspectives. A brand manager's in-depth understanding of the brand identity from different perspectives is critical, in order to clarify, enrich and differentiate the brand identity.

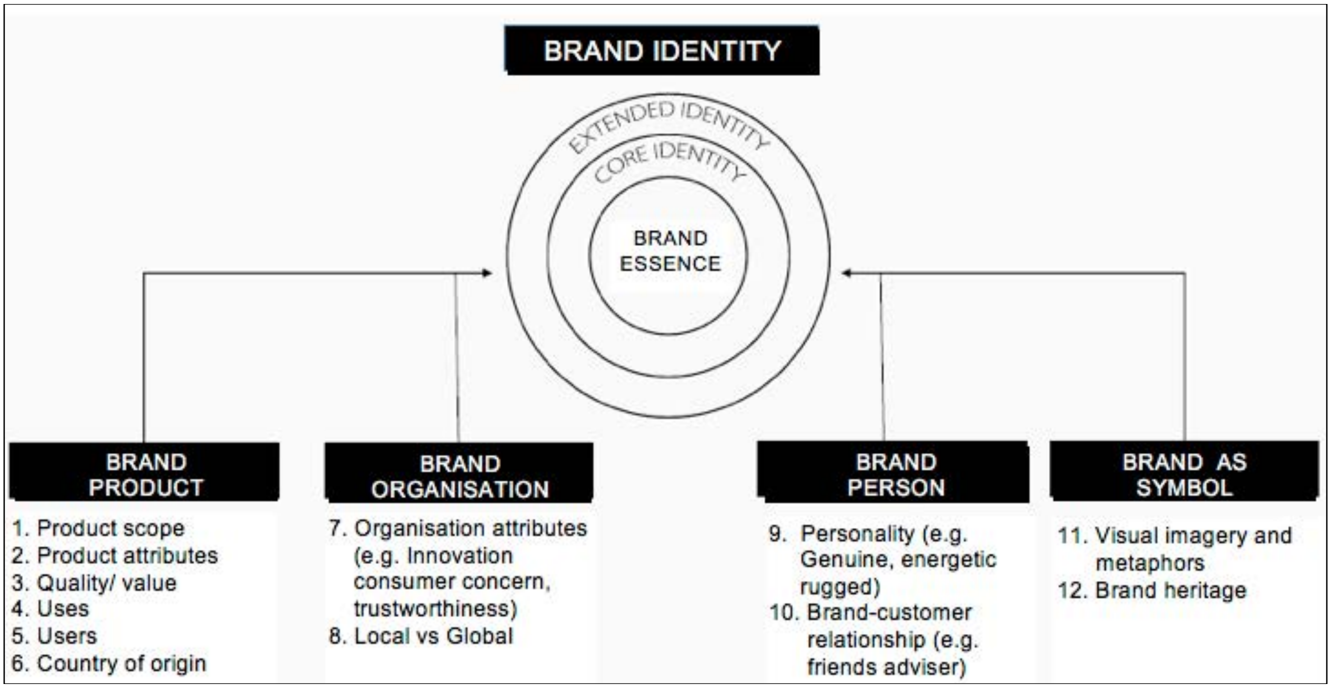

Fig 4.10: Aaker's Brand Identity Model.

At the heart of the model is the brand essence, core identity and extended identity.

1. The brand essence

Aaker considers brand essence as the internal magnet that keeps the core identity element connected. According to him, the essence captures the brand values and vision in an ambivalent, timeless identity statement.

2. The core identity

The core identity elements make the brand sustainable, unique and valuable. It represents the essence of the brand and contains the associations that are most likely to remain constant over time.

3. The extended identity

Aaker states that the extended brand identity fulfils a completeness and texture role to funnel the ambivalent core identity into a constant direction of the brand. According to him, where core elements are timeless, the extended identity contains elements that do not belong to the timeless foundation of the brand identity.

Following are the four perspectives proposed by Aaker:

1. Brand as a product

Aaker addresses six dimensions under this perspective. On close observation of these dimensions, we can conclude that 'brand as a product' has to do with product-related attributes that naturally have an important influence on brand identity. The influence is largely because these attributes are linked to user requirements and product experience.

2. Brand as an organisation

While in the above, brand managers have to focus on the product attributes, in this case the focus shifts to the organisation. Organisational attributes are less tangible and more subjective. According to Aaker, attributes such as CRM, innovation, perceived quality, visibility and presence can contribute significantly towards value propositions and customer relationships.

3. Brand as a person

This perspective treats brands as if they were humans. Here the focus is on brand personality, the psychological nature of a brand personality as intended by its seller. Brand personality is a very crucial element and is extensively used in many brand equity models.

4. Brand as symbol

Visual imagery, metaphors and brand heritage are the dimensions addressed under this perspective. Strong symbols have always been known to play a dominating role in brand strategies. Symbols involve a recognisable, meaningful and trustful metaphor.

According to Aaker, the balance of the four perspectives can vary by customer segmentation, competitor composition and internal context, and as a consequence the balance is interdependent with the strategic brand analysis.

4.5 BRAND PERSONALITY

In the year 2006, Apple launched a campaign 'Get A Mac' comprising a series of almost 19 ads on television, each based on outright comparison with the PC. The PC and Mac were personified by two characters: John Hodgman was roped in to play the role of the bumbling PC, while Justin Long played the role of the hip, unflappable Mac.

The PC (John Hodgman) is characterised as an old, stuffy and conservative man in a formal attire, who is over-concerned with work and often frustrated over the superiority of the more laid-back, casual and hip-and-happening Mac (Justin Long).

So here we have two clearly distinct and extreme personalities, discussing some of the problems faced by the PC (who is rather very defensive) and how the Mac does not have these problems.

Almost all the ads start off with the introduction, "Hi I am PC" or "Hi I am Mac" followed by the diatribe and defenses and quirks and barbs.

The campaign ran a good 3 years, from 2006 to 2009 with almost 66 such ads in total.

In context to this chapter it is neither about the comparison, nor the number of ads, nor the number of years that the campaign ran. It is about how brand personality can be used to position and differentiate the brand against other brands in the same product category.

Apple used the Mac's cool features to ascribe the product a 'cool' personality, and made an outright comparison with the PC.

This chapter will deal with the personality approach in brand management.

4.5.1 Defining Brand Personality

According to the American Marketing Association, brand personality is the "psychological nature of a particular brand as intended by its sellers, though persons in the market may see the brand otherwise (called brand image). These two perspectives compare to the personalities of individual humans: what we intend or desire, and what others see or believe."

Tilde et al., opine that consumers automatically ascribe personalities to brands and that this process is a central aspect of consumers' symbolic consumption and construction of self. According to them, the personality approach in brand management focuses on how and why people choose brands with certain personalities and how imbuing brands with personality thus can be a powerful tool to create and enhance brand equity.

Aaker defines the associated personality of a brand as a set of:

1. Human demographic characteristics like age, gender, social class and race

2. Human lifestyle characteristics like activities, interest, and opinion

3. Human personality traits such as extroversion, agreeableness, dependability, warmth, concern and sentimentality

In short, brand personality is defined as a set of human characteristics associated with a brand. The brand is much like a human, a living person and is often attached to a metaphor. In this way, the brand envisions the abstract intangible assets and characteristics in a more concrete tangible appearance. That is one of the reasons customers interact with brands as if they were human beings. Exactly in contrast to product related attributes, which focus on utilitarian functions, brand personality serves as a symbolic or self-expressive function.

As discussed, brands are much like human beings. We see human beings from different perspectives. We see them from different points of view: physical, skills and abilities, attitudes, actions, associations, etc. We focus on how they look and sound, what they can do and how they perform, how they blend with the society. It is the same with brands. We see brands from different human perspectives, and therefore, the brand appeals to senses, reason and emotions. So, it is simple that if the brand needs to be accepted, its personality has to be in synch with its consumers.

The personality of a brand makes way for consumers to express themselves, or specific dimensions of themselves, through the use of the brand. It is the key driver, or the cornerstone of consumer preference and usage, and it can be used as a common denominator to market a brand across cultures.

4.5.2 Measuring Brand Personality

Several research articles have been published with reference to measuring brand personality. The dimensions of brand personality are defined by extending the dimensions of human personality to the domain of brands. One of the ways to conceptualise and measure human personality is the trait approach, which proposes that personality is a set of traits. Based on the trait theory, researchers have concluded that there are five stable personality dimensions.

Recessive personality: Behaviour and traits		Personality dimensions		Recessive personality: Behaviour and traits
Quiet, reserved, shy, silent, withdrawn	←	Extroversion	→	Talkative, active, energetic, outgoing
Fault-finding, cold, unfriendly, quarrelsome, hard-hearted	←	Agreeable	→	Sympathetic, kind, appreciative, affectionate, soft-hearted
Careless, disorderly, frivolous, irresponsible, slipshod	←	Consciousness	→	Organised, thorough, efficient, responsible
Tense, anxious, nervous, moody, worrying	←	Emotional stability	→	Stable, calm, contended, unemotional
Commonplace, narrow interests, simple, shallow, unintelligent	←	Openness/Cultured	→	Wide interests, imaginative, intelligent, original, insightful

Fig 4.11: Trait Theory

Source: Brand Behaviour – Smit, Van Den Berge & Frazen.

Based on these dimensions, Jennifer Aaker identifies the new 'Big Five' dimensions related to brands.

Till the time Jennifer Aaker proposed a scale to measure brand personality (which is used worldwide today) no research had been conducted to develop systematically a reliable, valid, and generalizable scale to measure brand personality. Researchers relied on measurement scales that were ad hoc or taken directly from personality psychology which did not fit into the context of brands.

Jennifer Aaker, in her paper titled 'Dimensions of Brand Personality' published in the Journal of Marketing Research (Vol 34, August 1997, 347-356), addresses most limitations by drawing on research on the 'Big Five' human personality structure and developing a theoretical framework of brand personality dimensions and a reliable, valid, and generalizable scale that measures dimensions.

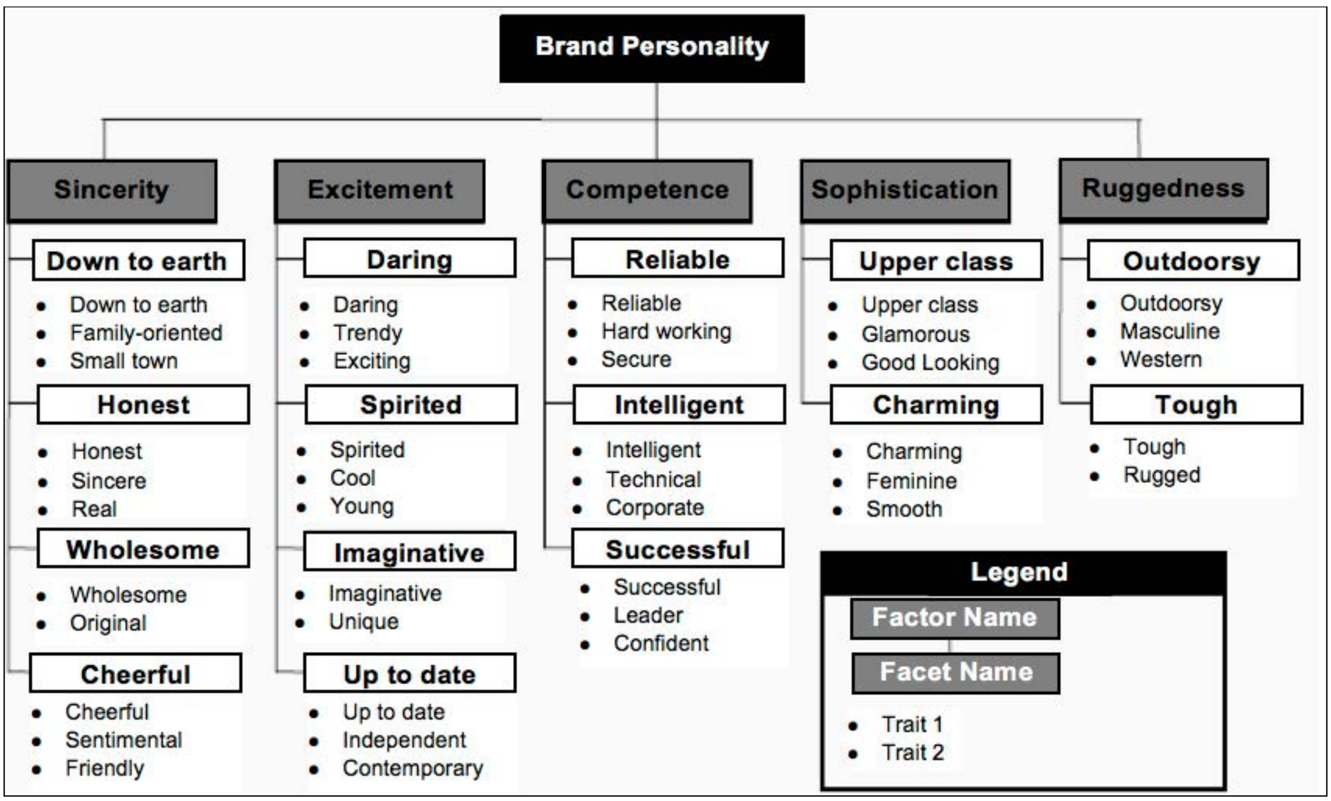

Fig 4.12: Jennifer Aaker's Brand Personality Framework.

Source: Journal of Marketing Research (Vol 34, August 1997, 347-356).

Jennifer Aaker identifies five personality factors – sincerity, excitement, competence, sophistication and ruggedness. The traits under sincerity include down to earth, honest, wholesome, and cheerful. The ones under excitement include daring, spirited, imaginative, and up-to-date. Competence includes reliable, intelligent and successful. Under sophistication are upper class and charming, while outdoorsy and tough come under ruggedness.

Though brands can be put on this scale anywhere, they can have a complex personality that spread across different factors. This scale also measures attitudes toward brands.

The brand personality framework and scale developed in this research offers theoretical and practical insights into the antecedents and consequences of brand personality. According to Jennifer, in terms of antecedents many have suggested that brand personality is created by a variety of marketing variables (user imagery, advertising, packaging). With the use of Brand Personality Scale, the variables can be manipulated systematically and their impact on a brand's personality measured. Similarly, the certain valid assertions – that brand personality increases consumer preference and usage, evokes emotions in consumers, and increases level of trust and loyalty – can be tested by systematically manipulating distinct dimensions of a brand's personality (e.g. sincerity) and examining their impact on key dependent variables (Jennifer Aaker).

4.5.3 Creating Brand Personality

Three basic steps go into creating a brand personality, compiled from Dr. Brian Monger's 2012 article, 'Developing and Implementing Brand Personality': (1) Research, (2) Decision, (3) Execution.

1. Research

It is important to research the symbolic associations that exist with the product category and competitive brands. There are various ways to assess the brand personalities that consumers associate with, of which some are quantitative, while others are qualitative.

One of the common quantitative techniques is to have consumers rate a brand, and/ or users of that brand, on various personality adjectives. For example, consumers may rate a brand as being relatively high on sincerity and honesty on the adjective scale. Thus, different brands could be compared using this scale.

There are many ways to obtain qualitative insight into the personality associations. One is the use of 'Photo Sorts' in which consumers are given photographs of individuals and are asked to pick the ones they think use particular brands. Finally, they are asked to describe these individuals. 'Free Associations' is another qualitative method in which the subject is given a stimulus word – a brand name or slogan – and then asked to provide the first set of words that come to mind. Subjects in this method can create a large number of associations. They are then asked to identify how well each association fits the brand on a scale of "fits extremely well" to "fits not well at all". Another form of word association is 'Sentence Completion'. In this the subjects are asked to complete a partial sentence with the first thought that comes to mind. 'Scene Interpretation' is also one of the methods where consumers are asked to interpret a scene presented visually in which the product or brand is playing a role. 'Psychodrama' technique by Ernest Ditcher is another method where people are asked to act out a product. Subjects are made to assume they are a product, for example: "You are a fruit drink", "What is your style?" "Are you male or female?"

"Brand Relation" is also used to assess the qualitative aspects of brand personality. In this technique, subjects are asked to relate brands to other kinds of objects, such as animals, automobile, trees, fruits, etc.

2. Decision

This step involves deciding and targeting a brand personality. First, compare the personality scale ratings or associations that have been obtained through the research with the target consumer's ratings of his or her personality (both actual and aspired-to). Then, draw inferences on which aspects of the brand personality need to be reinforced or changed. It is to be noted that the targeted personality must be consistent with the functional or psychological benefit that the brand is promising.

3. Execution

Once the brand personality has been researched and targeted, it is the role of advertising to create, reinforce, or change the target personality. Following are the key advertising elements that can be used for this purpose:

❖ **Image associated with real people**

The choice of a real person can help the image of the people involved get transferred to the brand with enough repetition. The image may not necessarily be human. For example, the soap that uses the Dove transfers the image of the bird – purity, gentleness, mildness – to the brand.

❖ **User imagery**

User imagery provides a description of the type of person who might use a particular brand. It also communicates the lifestyle of the user. For example, the user imagery of an Innova is that of a family person, who holds great value in togetherness and family bonds.

❖ **Execution elements**

The choice of music for the advertising film/radio jingle, or the kind of typography used in the print advertisement, or the kind of colours used across all mediums, all together contribute significantly to the brand's personality.

❖ **Consistency**

Consistency is the key to executing a brand personality strategy. All of the elements mentioned above have got to remain consistent over time. For example, you cannot have an Amitabh Bachchan talking about the goodness of Cadbury in a 3-month campaign, and then have Aamir Khan doing the same in the next campaign – unless of course, the strategy demands a cluster of stars endorsing the chocolate.

4.5.4 Importance of Brand Personality

While we have discussed brand personality and have touched upon points that explains its relevance, let us wrap up the chapter with brief pointers on its importance.

❖ The development and reinforcement of personality differentiates the brand from the competition.

❖ A favourable and accepted brand personality enables the marketer to gain market share and also charge a premium (higher price). In some cases, the marketer can also fix a minimum price to avoid losing share to competitive brands that charge lower prices or run frequent consumer or trade promotion; in such cases, it is the brand personality that influences buying decisions.

- While competitors may match your brand's features and price, it is almost next to impossible for them to duplicate your brand's identity.

- Advertising that creates or reinforces brand personality serves to increase the asset value of the brand.

- From the consumer point of view, consumers acquire or reinforce their sense of self, their identities, in part through the brands they buy and what these brands symbolise. Consumers select brands that have a brand personality that is congruent with their own self-concept.

- A strong brand personality can create great bonds between the brand and the consumer. A strong bond leads to closeness with the brand, makes the brand more meaningfully different, and hence more valuable to consumers.

- A strong brand personality has the potential to inspire brand loyalty.

4.6 SUMMARY

Brand Value

While Value is what buyers are willing to pay for, it is created by combining several elements. The image, identity and personality (also part of the elements) of a brand play critical roles in the buying process.

The concept of brand value is integral to the product and the brand management process. Value, in simple terms, is the quality (positive or negative) that renders something desirable or valuable. In terms of brand, the value is what the buyers are willing to pay for. Buyers or consumers do not pay only for the product's physical properties. If that were the case, there would be nothing called brand preference. Consumers prefer a particular brand because they see the brand beyond the physical properties of the product.

Brand value could mean different things to different people. While one may find value in the product features, another may find it in its functionality, while still others may find it in the price. As Mullins et al put it very succinctly, that value "is a function of intrinsic product features, service and price, and it means different things to different people."

Depending on the product or service, the benefits consist of the consumer's desirable values, which include the function, experiential and/ or symbolic values.

The total cost would include, price, transaction costs, effort and time spent on the process of purchase.

Thus, brand value is a ratio of benefits to cost, and can be expressed as:

$$\frac{\text{Benefits}}{\text{Cost}\ (\text{Rupees}, \text{Time}, \text{Feelings})} = \text{Perceived value of the brand}$$

The term 'value proposition' was coined by Michael J. Lanning in the 1980s. He defined it as the essence of a business, stating that a business is a value delivery system. He termed it from the organisational point of view, but put it in clear terms that a value proposition is:

- About customers but for your organisation.
- Not addressed to customers but must drive these communications.
- Articulates the essence of the business, defining exactly what the organisation fully intends to make happen in the customer's life.

Considering values beyond functional benefits, Aaker offers three succinct statements to help brand custodians go beyond functional benefits and strategise on the basis of emotive factors: (1) When I buy or use this brand, I feel _________ (Emotional benefits), (2) When I buy or use the brand, I am__________ (Self expressive benefits), (3) When I buy or use the brand, the type of people I relate to are_____________ (Social benefits).

Brand Image

Brand image has been an integral part of consumer research since the 1950s. Gardner and Levy have been credited with crystallising 'brand image' in a meaningful form. They claimed that earlier researches on brand image were superficial in its focus on stereotypical purchase reasons, and suggested scratching beneath the surface to identify more enduring motivations for purchase.

While we shall explore Gardner's and Levy's definition, it is worthwhile to also quote a study by Dawn Dobni and George M Zinkhan (1990), which attempts to decode 'brand image' through the various definitions that, according to their review, have not necessarily remained stable over a 35-year time period.

They have grouped definitions of brand image into 5 categories: (1) Blanket definitions (2) Emphasis on symbolism (3) Emphasis on meanings or messages (4) Emphasis on personification (5) Emphasis on cognitive or psychological elements

Kevin Lane Keller attaches a lot of importance to brand knowledge and associations while defining brand image. Referring to the definitions by Herzog and Newman, and an associative network memory model of brand knowledge, he defines brand image as perceptions about a brand as reflected by the brand associations held in a consumer's memory.

What is brand association? It is anything that is linked in memory to a brand. Aaker lists the following types of associations: (1) Product attributes (2) Lifestyle/Personality (3) Intangibles(4) Customer benefits (5) Relative price (6) Use/Application (7) Celebrity/Person (8) Product class (9) Competitors (10) Country/Geographic area.

Brand Identity

According to Aaker, brand identity provides strategic direction, purpose and meaning for a brand, and it is one of the main drivers for brand equity (Refer Chapter 5, Brand Equity). He defines brand identity as, "A unique set of brand associations that the brand strategist aspires to create or maintain. These associations represent what the brand stands for and imply a promise to customers from the organisation members. Brand identity should help establish a relationship between the brand and the customer by generating a value proposition involving functional, emotional or self-expressive benefits."

According to Duncan, brand identity is the design of the public face or distinctive visual appearance of the brand. Going by Duncan, the components of brand identity include the choice of brand elements (Refer Chapter 3, Brand Elements). For Keller, too, brand identity reflects the contribution of all brand elements to awareness and image. The consistency among brand elements furthers cohesiveness of the brand identity.

Kapferer draws a clear-cut distinction while explaining brand identity and brand image. According to him, while the brand identity is on the sender's side, the image is always on the receiver's side. The sender here is the organisation or brand strategist, who creates the brand identity and sends it to the receiver (consumer).

Jean Noel Kapferer proposes a hexagonal theory of brand identity which he calls a Prism. The Prism consists of 6 identity facets: Physique, personality, culture, relationship, reflection and self-image.

Brands will not stay forever the same. They will evolve. During this evolution, to manage and balance identity changes across the facets in a guided and preferred direction, it is vital that organisations understand the key brand drivers. Kapferer has captured this in a three-tiered pyramid.

The pyramid concept enabled differentiated change management across identity facets by grouping them in a pyramid layer.

Aaker's brand identity model comprises four different perspectives and 12 dimensions. The four dimensions in his model are: (1) Brand as product, (2) Brand as organisation, (3) Brand as person, (4) Brand as symbol. The 12 dimensions, as per their relevance are spread across the perspectives. A brand manager's in-depth understanding of the brand identity from different perspectives is critical, in order to clarify, enrich and differentiate the brand identity.

Brand Personality

According to the American Marketing Association, brand personality is the "psychological nature of a particular brand as intended by its sellers, though persons in the market may see the brand otherwise (called brand image). These two perspectives compare to the personalities of individual humans: what we intend or desire, and what others see or believe."

Aaker defines the associated personality of a brand as a set of:

1. Human demographic characteristics like age, gender, social class and race

2. Human lifestyle characteristics like activities, interest and opinion

3. Human personality traits such as extroversion, agreeableness, dependability, warmth, concern and sentimentality

In short, brand personality is defined as a set of human characteristics associated with a brand.

Jennifer Aaker identifies five personality factors – sincerity, excitement, competence, sophistication and ruggedness. The traits under sincerity include down to earth, honest, wholesome, and cheerful. The ones under excitement include daring, spirited, imaginative, and up to date. Competence includes reliable, intelligent and successful. Under sophistication are upper class and charming, while outdoorsy and tough come under ruggedness.

Though brands can be put on this scale anywhere, they can have a complex personality that spread across different factors. This scale also measures attitudes toward brands.

Three basic steps go into creating a brand personality, compiled from Dr. Brian Monger's 2012 article, 'Developing and Implementing Brand Personality': (1) Research, (2) Decision, (3) Execution.

4.7 ACTIVITY

1. Assess the value, image, identity and personality of Dabur Chyawanprash or Nirma Washing Powder.

....

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....

....

4.8 SELF ASSESSMENT QUESTIONS

1. Explain brand values.

2. Discuss brand image and identity, describing the difference between the two concepts.

3. What is brand personality?

Multiple Choice Questions

1. The term 'value proposition' was coined by __________

   a. David A. Aaker
   b. Jennifer Aaker
   c. Michael Lanning
   d. Kevin Keller

2. Porter's value chain is divided into ___________ parts

   a. 5
   b. 2
   c. 7
   d. 3

3. Which of the following statements are true:

   a. Levitt (1980) proposed a four-level model of a brand.
   b. Levitt (1980) proposed a five-level model of a brand.
   c. According to Dr.Noriaki Kano's extensive research, customers experience value at three different dimensions.
   d. According to Dr.Noriaki Kano's extensive research, customers experience value at five different dimensions.

4. Which of the following statements are false:

   a. Brand image has been an integral part of consumer research since the 1950s.
   b. Brand image has been an integral part of consumer research since the 1990s.
   c. Aaker lists 10 types of brand associations.
   d. Aaker lists 5 types of brand associations.

Answers

1. (C), 2. (B), 3. (A, C), 4. (B, D)

4.9 RECOMMENDED READING

Book

- Building Strong Brands, by David A. Aaker.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 5

BRAND EQUITY

Objective

After completing this chapter, you will be able to understand:

- The subject of brand equity, including the various approaches to the same.

Structure:

5.1 Introduction

5.2 Defining Brand Equity

5.3 Decoding Brand Equity

5.4 Aaker's Approach to Brand Equity

5.5 Keller's Approach to Brand Equity

5.6 Alexander L. Biel's Perspective on Brand Associations

5.7 Brand Equity Valuation Methods

5.8 Summary

5.9 Activity

5.10 Self Assessment Questions

5.11 Recommended Reading

5.1 INTRODUCTION

It takes a lot to build a brand: a lot of time, a lot of money, a lot of efforts.

By investing time, money and efforts, marketers and brand custodians inject value into their respective brands. After strategic inputs in the basics - brand name, logo and other visual elements - and strategic investments in communication channels and market education, the brand begins building equity. This equity appreciates through economic growth in profit margins, market share, prestige value and critical associations.

The development of brand equity can create associations:

- That can drive market positions
- That can persist over long time periods
- That can be capable of resisting aggressive competitors

David Aaker suggests that brand equity "is based on a set of dimensions, each of which potentially needs to be managed."

Brand equity, one of the most critical concepts in marketing, emerged in the 1980s.

This chapter will enumerate on all these aspects and more.

5.2 DEFINING BRAND EQUITY

According to Aaker, "Brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol that add to or subtract from the value provided by a product or service to a firm and / or to the firm's customers."

Aaker, in 'Managing Brand Equity' observes that brands have equity because they have high awareness, many loyal consumers, a high reputation for perceived quality, proprietary assets such as access to distribution channels or to patents, or the kind of brand associations (such as personality associations).

Kevin Lane Keller states, "Brand equity is defined in terms of marketing effects uniquely attributed to the brands – for example, when certain outcomes result from the marketing of a product or service because of its brand name that would not occur if the same product or service did not have the name.”

To Upshaw, brand equity represents “the total accumulated value or worth of a brand,” while for Konapp brand equity is “totality of brand’s perception.”

Based on the above definitions, we can conclude that brand equity is:

- A set of brand assets and liabilities, linked to a brand.
- The result of high awareness, loyal customers, reputation for quality, proprietary assets and brand associations.
- The result of marketing effects uniquely attributed to the brand.
- The total accumulated value or worth of a brand.
- The total of a brand’s perception.

5.3 DECODING BRAND EQUITY

Brand awareness and equity

There are hundreds of brands in every category. The power and value of each of these brands vary on many counts. There may be brands that customers are aware of. And at the extreme end, there are brands with high level of awareness among customers. Brand equity begins with awareness. If consumers are not aware that a certain brand exists or is available in the market, they will not respond to it. It is to be remembered that customers respond to a brand in a discriminative manner, and when these responses are converted in terms of money, it represents the brands financial worth.

Brand loyalty and equity

There are brands with high degree of acceptability among customers. Further, there are brands which have a high degree of preference among customers. And then, there are brands for which the customers will not accept a substitute. This last set of customers can be termed as brand loyal.

Jagdish N. Sheth, Banwari Mittal and Bruce I. Newman, define brand loyalty as "the biased behavioural response, expressed over time by some decision making unit, with respect to one or more alternative brand out of a set of such brands, and is a function of psychological processes."

According to S. H. Kazmi, loyalty is at the heart of equity and a very important brand equity asset.

Brand image and equity

Brand image is all about how the brand is perceived by the consumer. It is the total consumer perception of the brand, and is the key intervening concept between the brand and its equity. The image of the brand drives brand equity and it can adjust brand value upwards or downwards.

The three aspects mentioned above are integral to brand equity. However, apart from that there are also other factors and aspects discussed by different brand theorists. For example, Aaker also discusses perceived quality. Let's get further to understand the different approaches to brand equity.

5.4 AAKER'S APPROACH TO BRAND EQUITY

Aaker terms brand equity as a set of assets and liabilities.

An asset enhances the value, while a liability decreases it. Both of these are embodied in the brand name or symbol. The equity is the value differential created when a brand name or symbol is added to a product.

David Aaker's brand equity model identifies five brand equity components: (1) Brand loyalty (2) Brand awareness (3) Perceived quality (4) Brand associations (5) Other proprietary assets

Fig. 5.1: Aaker's Brand Equity Model

Source: Building Strong Brands, The Free Press, New York.

In the Figure 5.1, on the left-hand side are the five brand equity components proposed by Aaker. At the centre are the corresponding effects of each component, while at the extreme right are the values provided to the customer and firm.

The above model can help understand the nuances of brand equity and gain insight into the relation between the different brand equity components and brand performance (in the future). The model clearly establishes that stronger brand equity emerges when brand loyalty increases, brand name awareness increases, perceived quality increases, brand associations become stronger, and the number of brand-related proprietary assets increase.

Let’s have a look at each of these components and their consequences:

1. Brand Loyalty

- Focusing on loyal customers reduces marketing costs, as compared to attempting to rope in new prospects.

- Trade leverage is achieved, as loyal customers represent a stable source of revenue for distributive trade.

- Loyal customers can boost awareness among the newer ones, thus increasing the customer base.

- Loyal customers are not quick to switch over from their existing brand to another, thus giving the company more time to respond to competitive threats.

2. Brand Awareness

- The strength of the brand name can become an anchor to which associations can be attached, which will eventually increase brand awareness.

- Familiarity and liking indicates positive attitude towards the brand, which can lead to consumers talking about/recommending the brand, thus spreading awareness.

- Signal of substance/commitment to a brand.

- To the extent that the brand forms a part of the evoked set of brands in a consumer’s mind, it can be considered during the purchasing process.

3. Perceived Quality

- The quality offered by the product becomes a strong reason to buy it.
- The perception of quality would also depend on the level of differentiation/ position in relation to other brands.
- Price becomes indicative of quality when it is the question of status and the brand becomes difficult to access.
- The quality perception is higher when the brand is available in different sales channels.
- The number of line/brand extensions makes the consumer believe that the brand stands for a certain quality guarantee that is applicable on a wide scale.

4. Brand Associations

- The greater the extent to which a brand name makes it possible to regain associations from the consumer's brain, the higher the brand equity.
- The greater the extent to which the association makes it possible to differentiate the brand from the competition, the higher the equity.
- The greater the extent to which brand associations play a role in the buying process, the higher the total brand equity.
- The greater the extent to which brand associations create positive attitude/ feeling, the higher the brand equity.
- The greater the number of brand extensions in the market, the greater the opportunity to add brand associations.

5. Other Proprietary Assets

- Other proprietary assets include patents and intellectual property, relations with trade partners, trade channels, etc.

- The more proprietary rights a brand has accumulated, the greater the brand's competitive edge.

The model also shows that brand equity creates value for both the consumer and the firm, as described in Aaker's words:

Value to the customer: "Brand equity assets generally add or subtract value for customers. They can help customers interpret, process, and store huge quantities of information about products and brands. They can also affect customers' confidence in the purchase decision (due to either past-use experience or familiarity with the brand and its characteristics). Potentially more important is the fact that both perceived quality and brand associations can enhance customers' satisfaction with the use experience."

Value to the firm: "As part of the role in adding value for the customer, brand equity has the potential to add value for the firm by generating marginal cash flow in at least half a dozen ways."

5.5 KELLER'S APPROACH TO BRAND EQUITY

According to Keller, brand equity is related to the consumer's familiarity with the brand, and his favourable associations with it. As per his Brand Resonance Pyramid (Details in Chapter 6, 6.3), a favourable association is formed with the brand at the peak of the pyramid – resonance. Equity comes from the formation of a favourable relationship between the customer and the brand.

Steps towards ensuring favourable relationship (resonance) at the peak of the pyramid are as follows:

1. Ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class, product benefit, or customer need.

2. Firmly establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations.

3. Elicit the proper customer responses to the brand.

4. Convert brand responses to create brand resonance and an intense, active loyalty relationship between customers and the brand.

Notice, brand knowledge is the most important factor, which will in turn set the ball rolling towards equity. Keller's approach can be diagrammatically presented in Figure 5.2:

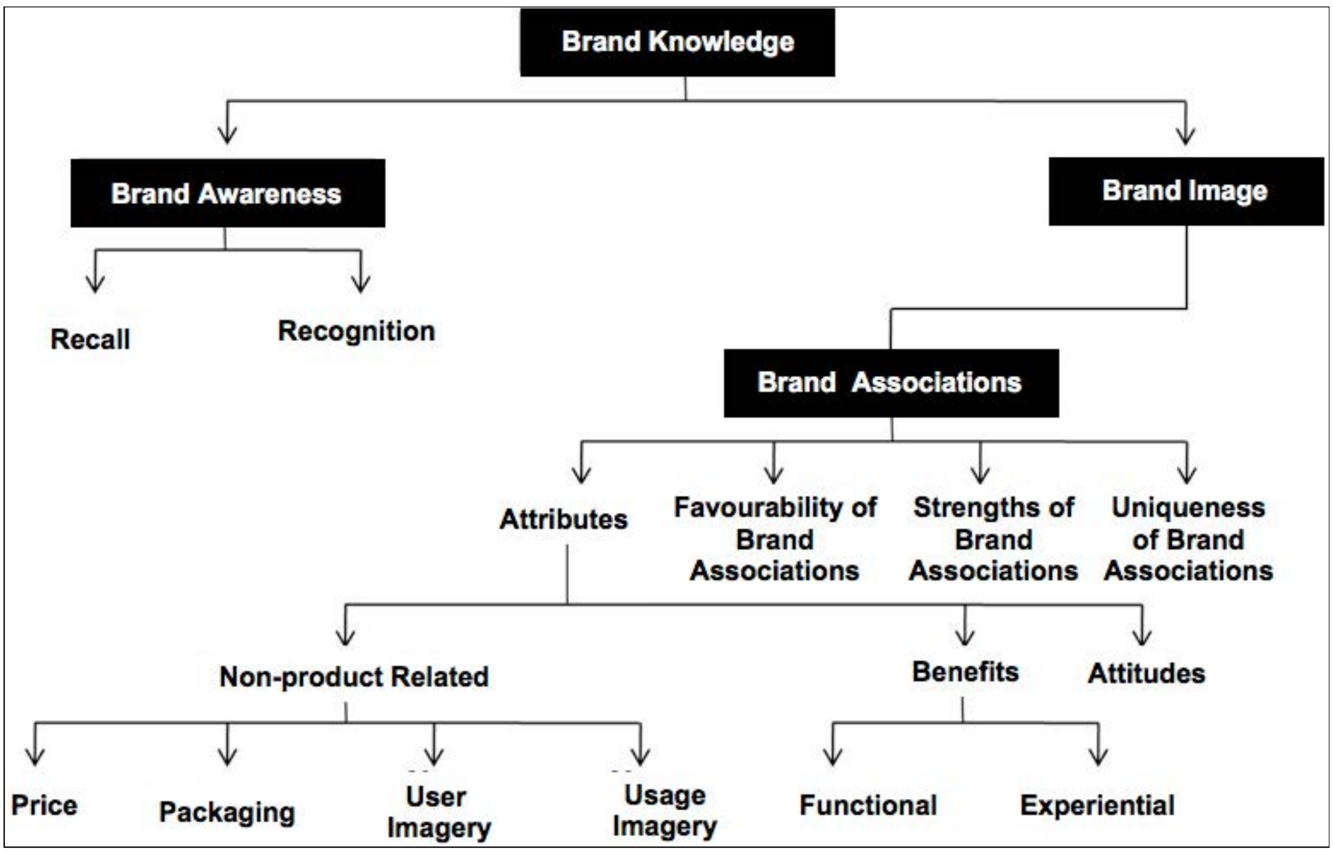

Fig. 5.2: Brand knowledge of consumer (Adapted after Kevin Keller)

Source: Conceptualising and Managing Customer Based Brand Equity, Journal of Marketing (1993) AMA.

From Figure 5.2, it is evident that brand knowledge comprises of brand awareness and brand image. Awareness relates to recall and recognition of the brand. Brand association is what builds the brand image. These associations are formed by attributes – benefits and attitudes.

Brand awareness reflects the salience of the brand, while associations relate to the attributes, details of which have been deeply explored in Chapter 6.

5.6 ALEXANDER L. BIEL'S VIEW ON BRAND ASSOCIATIONS

A brand exists as a complex network of associations in a consumer's mind. According to Alexander L. Biel, brand associations can be hard and soft.

Hard associations refer to the tangible and functional attributes of the brand, which could include several physical aspects of the product in question, such as construction/ design, and/ or its performance abilities, such as quality, reliability, sturdiness, smoothness, gentleness, speed, etc. For instance, the hard association of a shaving razor can include sharpness, smoothness and gentleness.

Soft associations are emotional in nature, which can either be positive or negative. The emotional faculties of the consumer are at play in this case. For instance, the soft association with an economical airline is that it reeks of bad customer service. In this case the soft association is negative. On the contrary, the soft association is positive, when it comes to a business class in a premium airline.

Alexander also says that brand sub-images consist of three elements:

1. Image of provider
This image refers to the manufacturer. Consumers don't just look at the product; they also pay close attention to the manufacturer. A particular brand of leather purses may be sworn for its quality, but the moment a sensitive consumer realises that children are being exploited to manufacture the same purse, the brand image plummets. The ideal balance lies in maintaining an appropriate corporate image and brand image. An inappropriate corporate image may tarnish the image of an otherwise good product, and vice versa.

2. Image of product

S. H. Kazmi observes that, "products also carry an image of what they carry and have aspects such as functional characteristics, technology intensiveness, emotionality, old, or modern that go with them." There is a stark differentiation in terms of product category, when it comes to the image of products. For example, cold creams, disinfectants, detergents, etc. are usually driven by functional attributes and rationality. On the other hand, fashion accessories, beverages, watches, tobacco products, etc., are usually associated with emotions and substantial symbolism. Therefore, Kazmi concludes with a relevant point that brand image has to be shaped within structural limits imposed by the product range.

3. Image of the user

Call to mind the Cadbury Silk advertisement and you will see the image of a young, perhaps just-out-of-school image. Think of Axe and you will see a flirtatious guy. A Johnson & Johnson will bring infants and mothers to your mind. There are a lot of examples of brands that have featured the image of the user, in order to define its target audience. The image of a brand may indicate the age, sex, occupation, lifestyle, interests and personality attributes.

5.7 BRAND EQUITY VALUATION METHODS

Why Brand Equity Valuation?

Why is brand equity valuation necessary? Well, the sole purpose would be to ascertain the worth of the brand across various parameters. But again, why? Why ascertain the worth of the brand? What is the benefit of brand valuation? The answer is definitely not as complex as the various brand valuation methods proposed and employed over time.

Following are the reasons and benefits of brand equity valuation:

- A correct brand valuation helps ensure the channelization of resources to where they will deliver the greatest value to the organisation.

- This channelization of resources will particularly help in optimising the brand portfolio.

- The right brand value will help simplify decisions regarding the correct level of marketing spend, evaluation of brand manager performance, and strategies to build the brand.

- Brand valuation helps ascertain the right value of brands during mergers and acquisition processes.

- According to Keller, an accurate brand equity valuation ensures that brand-licensing fees correctly reflect the benefits received.

The Origin of Brand Equity Valuation

The initial research into valuation of brands emerged from two areas: marketing measurement of brand equity, and the financial treatment of brands.

Marketing measurement of brand equity was popularised by Keller. Subsequent studies were done by: Lassar et al. - the measure of brand strength, Park and Srinivasan - evaluating the equity of brand extension, Kamakura and Russell - single-source scanner panel data to estimate brand equity, Aaker, Montameni and Shahrokhi - valuing brand equity across local and global markets.

The financial treatment of brands originated from the recognition of brands on the balance sheet, which presented problems to the accounting profession due to the uncertainty of dealing with the future nature of the benefits associated with brands and hence, the reliability of the information presented.

Despite various studies and research, even today the debate over the appropriate method of valuation continues.

Brand Valuation Approaches

The most common valuation approaches can be classified into five categories:

1. Cost-based approaches
2. Market-based approaches
3. Economic use or income-based approaches
4. Formulary approaches
5. Special situation approaches

1. Cost-based approaches

Cost-based approaches relate to the costs associated with creating or replacing the brand. The costs could include research and development of the product concept, market testing, promotion and product improvement. This approach determines the value of the brand as the sum of accumulated costs expended on the brand to date. This method is the easiest to perform, as all the data should be readily available.

Let's understand some of the common models designed on the basis of this approach.

❖ **Brand equity based on accumulated costs**

According to Keller, this approach considers the aggregates of all the historical marketing costs as the value. While the issue with this approach lies in the fact that it is difficult to determine the correct classification as to what constitutes a marketing cost and what does not, on the positive side the brand manager knows the actual amount that has been spent.

❖ **Replacement cost based on launching a new brand**

According to Aaker, the cost of launching a new brand is divided by its probability of success. This approach offers the advantage of easy calculation. However, this approach neglects to take into account the success of established brands. Secondly, it does not take the first-mover benefit into account, which has an obvious advantage over other brands in terms of not having to tackle the clutter.

❖ **Conversion models**

This approach focuses on estimating the amount of awareness that needs to be generated in order to achieve the current level of sales. According to Aaker, conversion models focus on the level of awareness that induces trial and regular repurchase. The results derived from this approach can be used for two purposes: one is to determine the cost of acquiring new customers and the other would be the replacement cost of brand equity.

❖ **Brand based on customer preference**

Aaker (1991) proposed that the value of the brand can be calculated by observing the increase in awareness and comparing it to the corresponding increase in the market share. The idea is to ascertain how much of awareness has led to consumers preferring the said brand in question.

2. Market-based approaches

Market-based approaches are based on the amount for which a brand can be sold. This valuation is used when one wishes to sell the brand. According to Barwise et al., the market value of an asset should reflect the possible alternative uses; the value of future options as well as its value in existing activities; and realism rather than conservatism. Brealey and Meyers suggest that one should sell off assets if the value that a buyer is willing to pay exceeds the discounted benefits of the brand.
Let's understand some of the common models designed on the basis of this approach.

❖ **Comparable approach**

In this approach the premium that has been paid for similar brands is taken and applied to brands that the company own. A direct comparison is drawn between both brands. This approach helps valuate what third parties are actually willing to pay. However, the drawback is that there is a lack of detailed information on the purchase price of brands and the fact that two brands are seldom alike.

❖ **Brand equity based on equity valuation**

Proposed by Simon and Sullivan, the advantage associated with this approach is that it recognises the fact that it is based on empirical evidence. However, the drawback of this approach includes the assumption of a very strong state of the Efficient Market Hypothesis (EMH), and that all information is included in the share price.

The approach* works as follows:

- The value of the intangibles is calculated by subtracting the replacement cost of the tangible assets from the market value (market capitalization plus the market value of debt and other securities) of the firm.

- The value of the intangible assets are broken down into three components, namely brand equity, value of non brand factors that reduce the firm costs such as R&D and patents, and finally industry wide factors that permit super normal profits (e.g., regulations).

- The brand equity component is further broken down into two components, namely a demand-enhancing component and a component that caters for diminished marketing spend due to the brand being established.

- The demand-enhancing component is calculated using increased market share. Market share is broken down into two components, one for the brand and the other for non-brand factors. The non-brand market share is the factor of company's share of patents and research and development (R&D) share. The market share attributable to the brand is a function of the order of entry and the relative advertising share.

- The reduced marketing costs are a factor of order of market entry and the brand's advertising expenditure relative to that of its competitors.

***Source:** Valuing Brands and Brand Equity: Methods and Processes, by Russell Abratt and Geoffrey Bick, Journal of Applied Management and Entrepreneurship.

- **The use of real options in brand valuation**

This approach is used for the valuation of brand assets. The following variables are calculated in order to value the asset: the risk-free interest rate; the implied volatility (variance) of the underlying asset; the current exercise price; the value of the underlying asset; and the time to expiration of the option. The advantage of this method lies in calculating the potential value of line extensions. The drawback is that the assumptions inherent in this approach make any practical application very difficult.

- **The residual method**

According to Keller, the residual value, when the market capitalization is subtracted from the net asset value, is equal to the value of the "intangibles" one of which is the brand. The inherent assumptions in this approach are: that the market is efficient in the strong state and that the assets are being used to their full potential.

3. Economic use approaches

Also termed as "in use" or income-based approaches, they consider the valuation of future net earnings directly attributable to the brand to determine the value of the brand in its current use. It reflects the future potential of a brand and is useful when compared to the open market valuation, as the owner can determine the benefit foregone by pursuing the current course of action.

Let's understand some of the common models designed on the basis of this approach.

- **Royalty relief method**

Royalty relief is a common practice, and is based on the royalty that a company would have to pay for the use of the trademark if they had to license it. The method comprises of the following steps:

- Determine the underlining base for the calculation (percentage of turnover, net sales or another base, or number of units)
- Determine the appropriate royalty rate
- Determine a growth rate, expected life and discount rate for the brand

The valuation is industry specific and it has also been accepted by many tax authorities as an acceptable model. The disadvantage stems from the fact that very few brands are truly comparable and usually the royalty rate encompasses more than just the brand.

- **Price premium**

Aaker proposes the premise of this approach on the basis that a branded product should sell for a premium over a generic product. The approach is transparent and easy to understand, coupled with the advantage that the relationship between brand equity and price can be easily explained. The drawbacks come into picture in cases where a branded product does not command a price premium. In this case, the premise of this approach itself is defeated.

- **Conjoint analysis**

Similar to the price premium model, conjoint analysis makes it possible to determine the market share for a given product at a given price level. The brand value is determined through an analysis of the purchase behaviour of a sample of customers and the brand value would be calculated as the discounted future revenue potential. This approach faces the same problems that the price premium approach faces. Another issue that it faces is that as one begins to alter price levels the perceived value of the brand may diminish.

- **Brand equity based on differences in return on investment, return on assets and economic value added**

According to Aaker, these models are based on the premise that branded products deliver superior returns, therefore, if we value the "excess" returns into the future we would derive a value for the brand. The disadvantage is that these approaches do not distinguish between brands and other intangible assets that give rise to the superior performance. Another shortcoming is the difficulty of finding a company that is in the same industry that has a similar asset base or capital structure. Lastly, the above mentioned returns are not risk adjusted. The advantages of this model include the ease in explaining, ready availability of information, and ease of calculation.

- **Use of price to sales ratio**

According to Damodaran, investors are increasingly using the price to sales multiple (in conjunction with the price earnings and the price to book ratio) in order to evaluate investment decisions. This approach measures the value of the brand as the difference between the price-to-sales ratio of a branded firm to that of a generic firm. The drawbacks of this model include the fact that few firms are truly comparable and it makes no distinction between the brand and other intangible assets such as good customer relationships.

- **Brand value based on future earnings**

In this approach, the valuer attempts to forecast the brand profit and discount it back at an appropriate discount rate. When the forecast period ends, if it has been determined that the brand's useful life will exceed the period of the forecast, a perpetuity value will be calculated. However, this approach is overshadowed by the drawback of trying to determine what part of the profits is attributable to brand equity and not other intangible factors. It does not even take any balance sheet implications into consideration such as increased working capital.

❖ **Brand equity based on discounted cash flow**

The advantage of this model is that it takes increased working capital and fixed asset investments into account. However, the question is how to determine the cash flows attributable to the brand. According to Reilly and Schweihs, from a pure finance perspective it is better to use Free Cash Flows as this is not affected by accounting anomalies; cash flow is ultimately the key variable in determining the value of any asset.

4. Formulary approaches

Formulary approaches consider multiple criteria to determine the value of a brand. They are commercially used by many consulting and other organisations.

❖ **Interbrand approach**

According to Keller, Interbrand determines the earnings from the brand and capitalizes them after making suitable adjustments. Interbrand takes the forecast profit and deducts a capital charge in order to determine the economic profit (EVA). Interbrand then attempts to determine the brand's earnings by using the "brand index". The "brand index" is based on seven factors. *The factors as well as their weights are:

1. Market (10%) – Whether the market is stable, growing and has strong barriers to entry

2. Stability (15%) – Brands that have been established for a long time that constantly command customer loyalty

3. Leadership (25%) – A brand that leads the sector that it competes in

4. Trend (10%) – Gives an indication where the brand is moving

5. Support (10%) – The support that the brand has received

6. Internationalization/Geography (25%) – The strength of the brand in the international arena

7. Protection (5%) – The ability of the company to protect the brand

***Source:** Valuing Brands and Brand Equity: Methods and Processes, by Russell Abratt and Geoffrey Bick, Journal of Applied Management and Entrepreneurship.

The advantages: This approach is widely accepted. It takes all aspects of branding into account; by using the economic profit figure all additional costs and all marketing spend have been accounted for.

The disadvantages: Russel and Geoffrey observe: "The international component should not be applied over the local brand earnings. If a company wants to bring the international aspect into play it must include potential international profits. Here two valuation bases are muddled. On the one hand there is an "in use" basis and on the other hand, there is an "open market" valuation." Secondly, the appropriate discount rate is very difficult to determine as parts of the risks usually included in the discount rate have been factored into the Brand Index score. According to Aaker, "… the Interbrand system does not consider the potential of the brand to support extensions into other product classes. Brand support may be ineffective; spending money on advertising does not necessarily indicate effective brand building. Trademark protection, although necessary, does not of itself create brand value."

5. Special situation approaches

Special situation approaches relate to valuations that are specific to particular circumstances that are not necessarily consistent with external or internal valuations.

- **Financial world method**

This method uses the same 'brand index' proposed in the Interbrand approach. The only difference being, premium is determined by estimating the operating profit attributable to a brand, and then deducting from this the earnings of a comparable unbranded product.

- **Brand equity 10**

Proposed by Aaker, it uses five categories of measure to assess brand equity:

- **Loyalty Measures**
  1. Price premium
  2. Customer satisfaction or loyalty

- **Perceived quality or leadership measures**
  1. Perceived quality
  2. Leadership or popularity

- **Other customer-oriented associations or differentiation measures**
  1. Perceived value
  2. Brand personality
  3. Organizational associations

- **Awareness measures**
  1. Brand awareness

- **Market behavior measures**
  1. Market share
  2. Market price and distribution coverage

The above measures represent the customer loyalty dimension of brand equity. They can be utilized to develop a brand equity measurement instrument, depending on the type of product or market, and the purpose of the instrument.

- Brand finance method

Developed by Brand Finance Limited, a UK consulting organization, this method comprises four elements:

1. Total market modeling: To identify the position of the brand in the context of a competitive marketplace

2. Specific branded business forecasting: To identify total business earnings from the brand

3. Business drivers research: To determine the added value of total earnings attributed specifically to the brand

4. Brand risk review: To assess the earnings or "Beta" risk factor associated with the earnings

Brand valuation is determined by assessing the brand added value after tax, and discounting this at a rate that reflects the risk profile of the brand.

5.8 SUMMARY

By investing time, money and efforts, marketers and brand custodians have injected value into their respective brands. After strategic inputs in the basics - brand name, logo and other visual elements - and strategic investments in communication channels and market education, the brand begins building equity.

Brand equity is:

- A set of brand assets and liabilities, linked to a brand.
- The result of high awareness, loyal customers, reputation for quality, proprietary assets and brand associations.
- The result of marketing effects uniquely attributed to the brand.
- The total accumulated value or worth of a brand.
- The total of a brand's perception.

Aaker terms brand equity as a set of assets and liabilities.

An asset enhances the value, while a liability decreases it. Both of these are embodied in the brand name or symbol. The equity is the value differential crated when a brand name or symbol is added to a product.

David Aaker's brand equity model identifies five brand equity components: (1) Brand loyalty (2) Brand awareness (3) Perceived quality (4) Brand associations (5) Other proprietary assets

According to Keller, brand equity is related to the consumer's familiarity with the brand, and his favourable associations with it. Brand knowledge comprises of brand awareness and brand image. Awareness relates to recall and recognition of the brand. Brand association is what builds the brand image. These associations are formed by attributes – benefits and attitudes.

Brand awareness reflects the salience of the brand, while associations relate to the attributes.

According to Alexander L. Biel, a brand exists as a complex network of associations in a consumer's mind. According to Alexander L. Biel, brand associations can be hard and soft. He also says that brand sub-images consist of three elements: Image of provider, image of product, and image of the user.

There are many brand equity valuation methods. The most common valuation approaches can be classified into five categories:

1. Cost-based approaches
2. Market-based approaches
3. Economic use or income-based approaches
4. Formulary approaches
5. Special situation approaches

5.9 ACTIVITY

1. Pick any one brand that is popular. Assess its hard and soft associations, on the basis of Alexander Biel's view on brand associations.

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5.10 SELF ASSESSMENT QUESTIONS

1. Discuss the concept of brand equity.

2. Explain Aaker's approach to brand equity.

3. What is brand equity valuation? Explain in detail.

Multiple Choice Questions

1. There are __________ most common approached to brand valuation.
   a. 10
   b. 5
   c. 8
   d. 16

2. According to Aaker, the cost of launching a new brand is divided by its ___________
   a. Equity
   b. Probability of success
   c. Image
   d. Failure

3. Which of the following statements are true:
   a. Brand equity is based on a set of dimensions.
   b. Brand equity creates images for both the consumer and the firm.
   c. Aaker terms brand equity as a set of images and equity.
   d. Brand image is all about how the brand is perceived by the consumer.

4. Which of the following statements are false:
   a. Marketing measurement of brand equity was popularised by King.
   b. A correct brand valuation helps ensure the channelization of resources to where they will deliver the greatest value to the organisation.
   c. Brand valuation helps ascertain the right value of brands during mergers and acquisition processes.
   d. Cost-based approaches relate to the banks associated with creating or replacing the brand.

Answers

1. (B), 2. (B), 3. (A, D), 4. (A, D)

5.11 RECOMMENDED READING

Book

- Managing Brand Equity, by David A. Aaker

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 6

BRAND BUILDING

Objective

After completing this chapter, you will be able to understand:

- Brand building and the various concepts associated with it.

Structure:

6.1 Introduction

6.2 Brand Building

6.3 Brand Resonance Model

6.3.1 Brand Salience

6.3.2 Brand Performance

6.3.3 Brand Imagery

6.3.4 Brand Judgements

6.3.5 Brand Feelings

6.3.6 Brand Resonance

6.4 Summary

6.5 Activity

6.6 Self Assessment Questions

6.7 Recommended Reading

6.1 INTRODUCTION

Let’s begin with reiterating the fact that brands are everywhere and that they have tremendous influence over our lives. What makes brands important, other than the fact that they fulfil our needs and wants? They occupy a place in our minds! Our minds, which are always brimming with numerous, perhaps uncountable concepts, thoughts, ideas, obsessions, emotions, fears, anxieties, etc. has also a place for brands. Depending on what it communicates, and how well it communicates, a brand wins over that slot in our minds.

Scott Goodson, the author of ‘Uprising’ (Building brands in the age of uprisings and movements), states in an article, published in Forbes, that “Brands are psychology and science brought together as a promise mark, as opposed to a trademark.” On this premise, he further reveals that brands outlive products and convey a uniform quality, credibility and experience.

Emphasising on the virtue of eternity of brands and their values, Goodson offers us the example of Tata Motors and Kraft: when Tata Motors bought Jaguar and Range Rover from Ford, they did not buy the factories, raw materials or employees. What they bought were two exceptionally brilliant brands at the cost of $2.56 billion – worth more than all other ingredients combined! Similarly, when Kraft bought Cadbury for $19.5 billion, they bought the brand – and not the chocolates, the factories, or the recipes.

The big questions: How could these brands attract such humungous monies? How could these brands have become so valuable?

The answer lies in exploring how these brands were built over time. In there lies the importance of brand building. This is what this chapter will explore.

6.2 BRAND BUILDING

"Building a brand is a roll-out process, not a drop everywhere in the world at one time. The key to brand-building is to have something good that you roll-out in a very intelligent way. Maybe even invisibly for a while because you want to be under the radar screen of competitors."

– Philip Kotler.

To supplement the above with an adequate example, Kotler talks about Carona, a Mexican beer. He says who would expect a beer from Mexico to be popular in the US? However, they didn't just come to the US and went all over the place. First, they went to the cities with Mexican population, such as Los Angeles, Chicago and New York – and then they put it in restaurants and stores there. And that's how they rolled out the brand.

Brand building is a process, intelligently combined with an adequate, foolproof strategy.

Advantages of Brand Building

A company that invests in proper brand building profits with following benefits:

Increasing customer loyalty: Bain & Company, once said, it costs 6 to 7 more to acquire a new customer than to retain an existing one. A consistently communicated brand promise, powered by brand performance, can help win customer loyalty.

Enhanced profit margins: Customers are ready to pay more for successful brands. A higher equity in the market can facilitate higher margins, and thereby lead to higher profits.

Market leadership: A well-thought, well-executed and well-routed brand message, along with appropriate product attributes resonate well with customers, paving the way to leadership in the market segment.

Better cash flows: Owing to the popularity of the brand, sales are continuous, which translate into a stream of cash inflows. This, in turn, allows better management of assets, leading to better productivity.

Competitive supremacy: A successful brand becomes a barrier to new entrants, as well as a threat to existing brands in the category. While a successful brand has the edge, in terms of its position in the market and financial muscle, competitors will have to invest more in all aspects, which can be a barrier.

Protection against cyclical fluctuations: Unlike weaker brands which usually compete on the price front, companies with strong brands are less affected by economic changes or, for that matter, even price wars. It is because strong brands focus on delivering value.

6.3 BRAND RESONANCE MODEL

Kevin Lane Keller, in his book, 'Strategic Brand Management' defines the brand resonance model as a tool for building a brand in a sequence of steps, each of which is contingent on successfully achieving the objectives of the previous one.

He lays down the following steps:

1. Ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class, product benefit, or customer need.

2. Firmly establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations.

3. Elicit the proper customer responses to the brand.

4. Convert brand responses to create brand resonance and an intense, active loyalty relationship between customers and the brand.

On the basis of the above-mentioned steps there are four fundamental questions that customers ask about a brand, which corresponds to critical aspects of the model:

1. Who are you? Corresponds to brand identity.
2. What are you? Corresponds to brand meaning.
3. What do I think or feel about you? Corresponds to brand responses.
4. What about you and me? Corresponds to brand relationships.

This is a brand ladder where in there can't be meaning without identity, response without meaning, relationships without response – all are interrelated and interdependent.

For effective brand building, it is important that the brand reaches the top of the pyramid – Resonance, wherein relationships are established between the brand and the consumer.

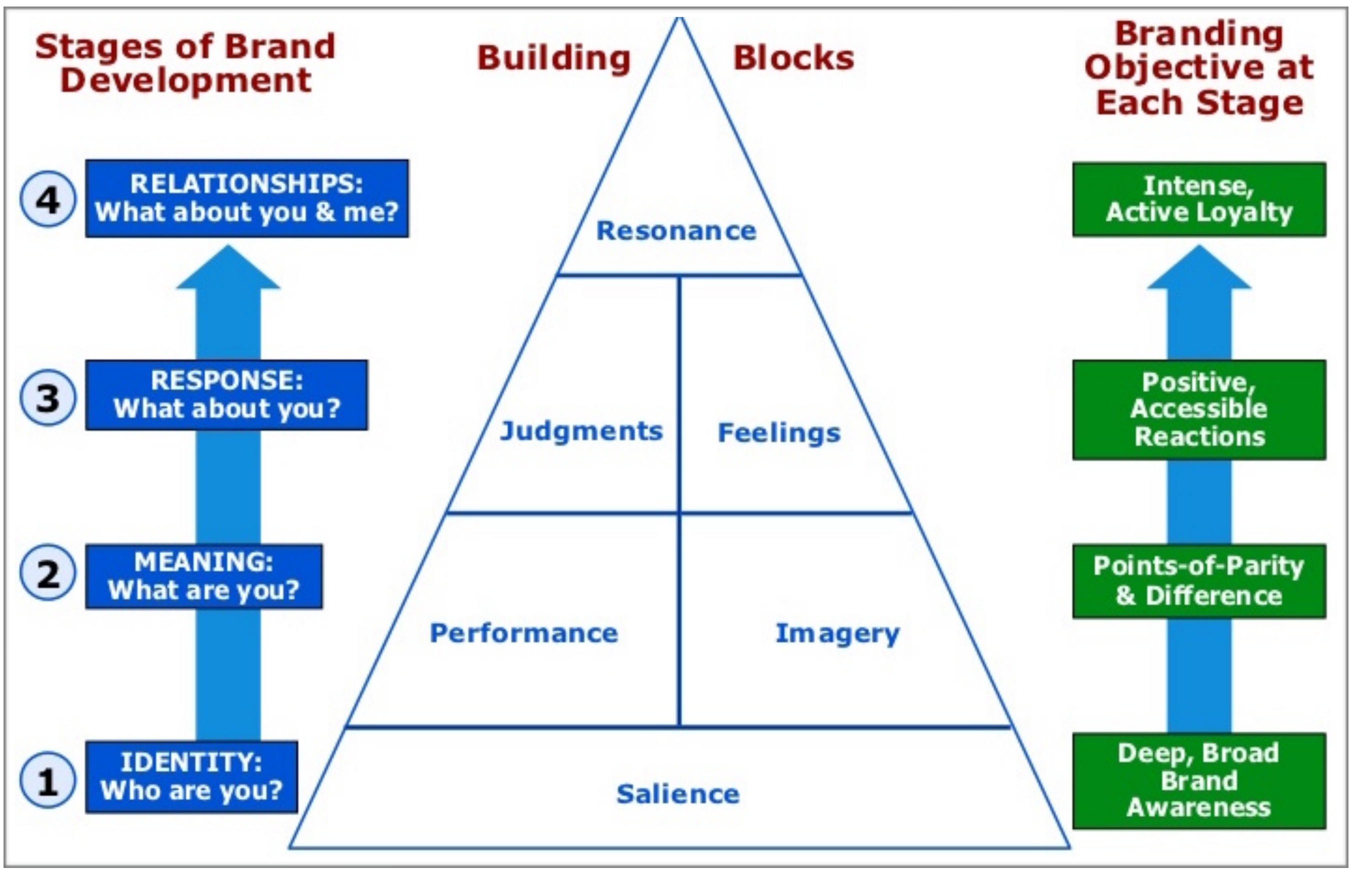

Fig 6.1: Brand Resonance Pyramid.

Source: Strategic Brand Management, Kevin Lane Keller (Pg 108)

Based on the Brand Resonance Pyramid, the process of brand building can be established with six brand building blocks, starting from the bottom of the pyramid – Salience, performance, imagery, judgments, feelings and resonance. Keller observes that building blocks up the left side of the pyramid represent a more 'rational route' to brand building. On the contrary, building blocks top right side of the pyramid represent a more 'emotional route'. However, most brands are built by going up both sides of the pyramid.

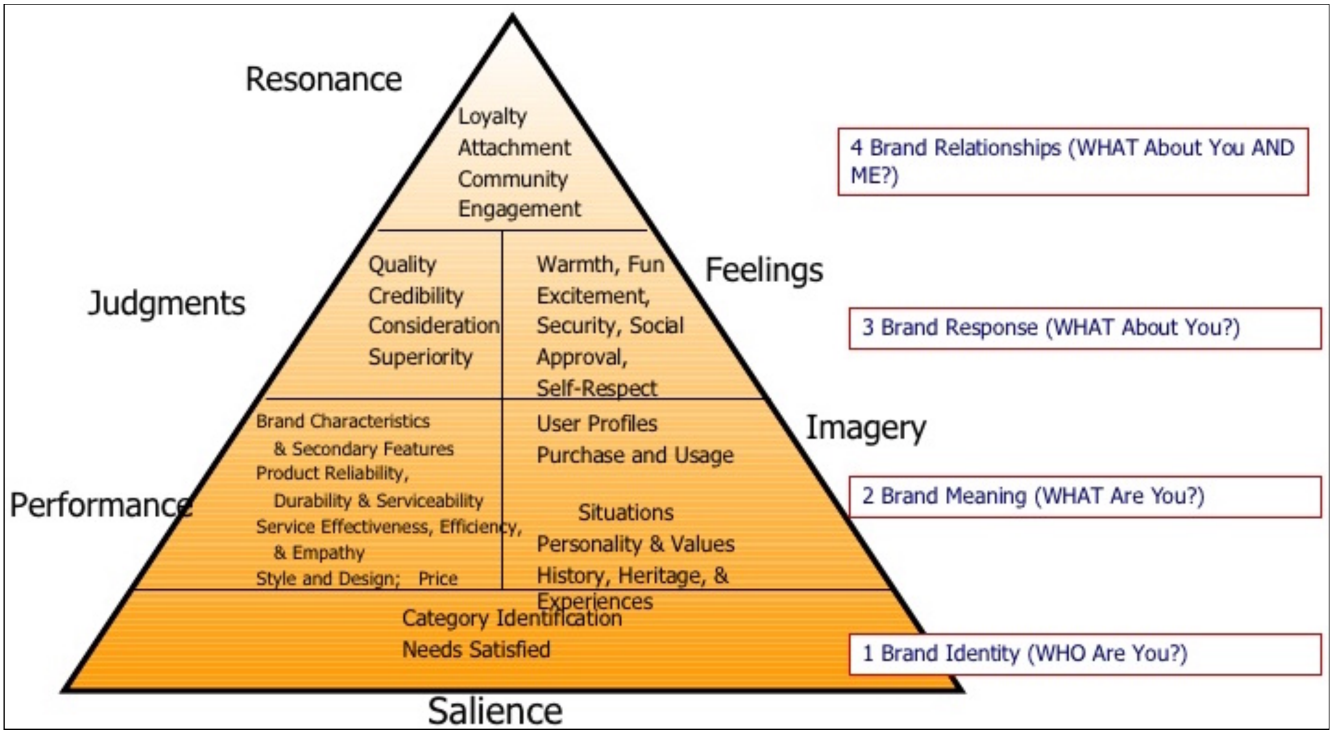

Fig 6.2: Sub-dimensions of brand building blocks.

Source: Strategic Brand Management, Kevin Lane Keller (Pg 108).

6.3.1 Brand Salience

What is this? What does this do to me? How does it satisfy my need? Or, does it really satisfy my need, in any way? A consumer will not be in a position to associate with a brand if these questions are not adequately answered.

Starting from the base of the pyramid, brand salience refers to the depth of awareness that the consumer has about the brand in question. It's all about achieving the right identity, which in turn creates brand salience with the customers. Brand salience measures the following: How easily and often the brand is called to mind under different situations, to what extent the brand is on top of the mind, how easily it is recalled, how much is it recognised...in short, as Keller puts it, how pervasive is this brand awareness?

A brand that is high in saliency has both depth and breadth of brand awareness. The depth of brand awareness refers to how often the brand comes to mind and with how much ease it comes. Keller observes that a brand we easily recall has a deeper level of brand awareness than one that we recognise only when we see it. So, when we think watches, we may think Titan. However, if Titan comes to mind only when we see its logo in an outlet, it simply means the awareness is not that deep. The breadth of awareness relates to the range of purchase and usage situations in which the brand element comes to mind, which largely depends on the organisation of the brand and product knowledge in memory.

Product category is also another important aspect to brand salience. According to Keller, a product hierarchy often exists in the consumers' minds, with product class information at the highest level, product category information at the second-highest level, product type information at the next level, and brand information at the lowest level.

To put it with a relevant example, X is a consumer who is thirsty. So he decides to drink something (Product class: beverages). Next, he asks himself, what should I drink? (Product category: water or flavoured drink). Fine, he settles for a flavoured drink. Now he has to decide which flavoured drink. Should it be natural fruit juice, or a carbonated drink? (Product type) He settles for a natural fruit juice. The question is which brand will he choose? He goes for Real Fruit Juice (Brand information), which means Real is the brand that is top of his mind in the natural fruit juice category.

Brand salience is the first step in building brand equity.

6.3.2 Brand Performance

On November 2, 2009, Toyota Motor Corporation recalled one of its brands of cars to correct a possible incursion of an incorrect front driver's side floor mat into the foot pedal well, which can cause pedal entrapment. The second recall was on January 21, 2010 after some crashes were shown not to have been caused by floor mat incursion. All in all, Toyota called back 1.75 million vehicles worldwide to fix braking and fuel systems flaws.

It was a matter of reputation for the brand, as the recalls were directly related to its performance and quality. Takashi Aoki, a Tokyo-based fund manager at Mizuho Asset Management Co. said "I don't think this recall (by Toyota) would damage the brand image, or cause the shares to decrease, as there were no injuries, fatalities or crashes." Whatever the individual opinions expressed by many in print and on television, the fact was that consumers across the world had second thoughts when it came to owning a Toyota vehicle.

According to Keller, brand performance describes how well the product or service meets' customers' more functional needs. How well does the brand rate on objective assessments of quality? To what extent does the brand satisfy utilitarian, aesthetic, and economic customer needs and wants in the product or service category?

Whether the product is a tangible good, service, organisation, or person, if performance is not up to the mark, it loses greatly on the equity front.

6.3.3 Brand Imagery

What does Domino's Pizza do? It offers tasty pizzas. That's what the brand does. Think about answers to the same questions abstractly. What does it do, other than delivering tasty pizzas? It brings friends together, creates happy moments, binds the family, spreads smiles and happiness. The brand imagery of Domino's Pizza is all about relationships, which has been further boosted by its tagline 'Yeh Hai Rishton Ka Time.'

Brand imagery is not what your consumers think the brand actually does. It is the way people think about the brand abstractly, which simply means that imagery refers to the intangible aspects of the brand.

Keller categorises the four main kinds of intangibles that can be linked to a brand:

1. User profiles
2. Purchase and usage situations
3. Personality and values
4. History, heritage and experiences

1. **User profiles:** This is based on the type of person using the brand. In this case consumers may base associations on descriptive demographic factors or more abstract psychographic factors. Demographic factors include gender, age, race, income, etc. Psychographic factors include attitudes toward life, career, possessions, or political institutions.

2. **Purchase and usage situations:** This association tells the consumer when (in what conditions or situation) they should buy the brand. This association can also relate to the channels from where the brand is purchased – malls, departmental stores, shops. It can also relate to the time of purchase – the day, week, month, or year to use the brand.

3. **Personality and values:** Keller observes: Through consumer experience or marketing activities, brands may take on personality traits or human values and, like a person, appear to be "modern," "old fashioned," "lively," or "exotic." He further discusses the five dimensions of brand personality with corresponding sub-dimensions: (1) sincerity (down to earth, honest, wholesome, and cheerful) (2) excitement (daring, spirited, imaginative, and up to date) (3) competence (reliable, intelligent, successful) (4) sophistication (upper class and charming) (5) ruggedness (outdoorsy and tough). It is to be noted that once brands develop a personality, it may become difficult for consumers to accept information that they see as inconsistent with that personality. For instance, Toyota Innova bears the personality of a car that is meant for the family, further powered by its advertisement depicting happy family moments in the car. If Innova decides, one fine day, to revamp its personality to appear as a rugged and tough car that is adventurous, it will be difficult for families to digest this new image.

4. **History, heritage and experiences:** Nirma, after a long gap, came back on television with its same, old 'washing powder Nirma' jingle. Though the visual treatment was modern, with the latest television stars, the jingle brought about a nostalgic feeling. This triggered the recall of distinctly personal experiences and episodes or past behaviours and experiences of friends and family. Another example can be found in the television series 'CID', which boasts of the fact that it has been running for almost two decades.

6.3.4 Brand Judgements

Brand judgments are opinions about and evaluations of the brand from the consumers' personal perspective. This comes about by putting together all the different brand performance and imagery associations. From the brand building point of view four types of judgments are extremely important: Judgments about 1. Quality 2. Credibility 3. Consideration 4. Superiority

1. Quality

The network of a particular brand of mobile service provider is good. However, the quality of customer service may be below average. The quality of a brand is seen from the overall evaluation of the product or service in question. It is quality that forms the basis for a brand choice.

2. Credibility

Brand credibility, according to Keller, is the extent to which customers see the brand as credible in terms of three dimensions: perceived expertise, trustworthiness, and likability. For instance, a Samsung mobile will be assessed for its credibility on (1) Is it innovative when it comes to android platform? (Expertise), (2) is it reliable and customer-friendly? (Trustworthiness), (3) is it fun and cool to move around with a Samsung phone? (Likeability).

3. Consideration

The Cadbury Dairy Milk advertisement with the model dancing in the cricket stadium, on the jingle 'Kya Swaad Hai Zindagi Ka' is perhaps one of the most beautifully conceived advertisements. It is one of those evergreen chartbuster ads, which has also been strategically extended in print, as well as outdoors. However, for a person who is not fond of sweets, the advertisement will not be able to convince him to buy a sweet for himself. To cut a long story short, favourable brand attitudes and perceptions are only important if consumers actually consider the brand for possible purchase. If the brand doesn't in any way relate to his needs or want, no matter how much of advertising and promotions, it will not be considered.

4. Superiority

Superiority refers to the extent to which the consumers view a brand as unique and better than other brands. No matter what your brand communication harps on, if the brand is not perceived superior, it will not sell.

6.3.5 Brand Feelings

'Feelings' refer to the emotional or moral sensitivity, the experience of affective and emotional states. Thus, brand feelings reflect the customers' emotional responses and reactions to the brand. Cadbury makes us feel romantic, Harley Davidson evokes the feeling of adventure, Parle-G makes us feel nostalgic, Colgate gives us the feeling of confidence, Axe evokes in us the flirtatious feeling...a good brand will work its way to inject in us a strong emotional connect with the brand.

Alan M. Webber sees feelings from the point of view of 'Love': "Pretty much everything today can be seen in relation to a love-respect axis. You can plot any relationship – with a person, with a brand — by whether it's based on love or based on respect. It used to be that a high respect rating would win. But these days, a high love rating wins. If I don't love what you're offering me, I'm not even interested."

Lynn R. Kahle, Basil Poulos, and Ajay Sukhdial, in their paper titled "Changes in Social Values in the United States During the Past Decade," published in the Journal of Advertising Research, suggests six important types of brand-building feelings:

1. **Warmth:** Soothing types of feelings, a sense of calm or peacefulness, sentimental, warm-hearted, or affectionate, friendly. Example, Raymonds.

2. **Fun:** Upbeat, amused, light-hearted, joyous, playful, cheerful, fun to be with. Example, 5 Star.

3. **Excitement:** Energised, elation, feeling of being alive, being cool, being sexy. Example, Harley Davidson.

4. **Security:** Safety, comfort, self-assurance, no worries, no concerns. Example, ICICI Bank.

5. **Social Approval:** Appearance, behaviour, acceptance, etc. Example, LIC.

6. **Self-respect:** Pride, accomplishment, fulfilment, etc. Example, Skoda.

6.3.6 Brand Resonance

At the peak of the pyramid, brand resonance focuses on the ultimate relationship and level of identification that the customer has with the brand. Resonance reflects the intensity, or depth of the psychological bond that customers have with the brand, including the level of activity engendered by this loyalty. Keller breaks down these two dimensions into four categories:

1. Behavioural loyalty
Behavioural loyalty is reflected in terms of how often a customer purchases a brand and how much do they purchase.

2. Attitudinal attachment
Since there are chances that customers may buy a product out of compulsion due the fact that it is the only brand available at the point of purchase, behavioural loyalty is not sufficient for resonance to occur. Customers need to have a great deal of attitudinal attachment to the brand. They should view the brand as something very special.

3. Sense of community
iPhone users consider themselves to be a part of a different class of people. All iPhone users share the same view and opinion, and thus can form a brand community. It eflects an important social phenomenon in which customers feel a kinship or affiliation with other people associated with the brand.

4. Active engagement
According to Rob Walker, perhaps the strongest affirmation of brand loyalty occurs when customers are engaged, or are willing to invest time, energy, money, or other resources in the brand beyond those expended during purchase or consumption of the brand. For example, customers may spend both money (for tickets) and time to watch a Lakme Fashion Show. to watch a Lakme Fashion Show.

6.4 SUMMARY

Brand building has several advantages: It increases customer loyalty, enhances profit margins, paves the way to market leadership, betters the cash flows, helps attain competitive supremacy, protects against cyclic fluctuations in the economy.

Kevin Lane Keller proposed the brand resonance model, as a tool for building a brand as a sequence of steps, each of which is contingent on successfully achieving the objectives of the previous one. He lays down four steps:

1. Ensure identification of the brand with customers and an association of the brand in customers' minds with a specific product class, product benefit, or customer need.

2. Firmly establish the totality of brand meaning in the minds of customers by strategically linking a host of tangible and intangible brand associations.

3. Elicit the proper customer responses to the brand.

4. Convert brand responses to create brand resonance and an intense, active loyalty relationship between customers and the brand.

On the basis of the above-mentioned steps there are four fundamental questions that customers ask about a brand, which corresponds to critical aspects of the model:

1. Who are you? Corresponds to brand identity.
2. What are you? Corresponds to brand meaning.
3. What do I think or feel about you? Corresponds to brand responses.
4. What about you and me? Corresponds to brand relationships.

The six building blocks of a brand are: Brand salience, performance, imagery, feelings, judgments and resonance.

6.5 ACTIVITY

1. Take any brand from any category and explore how it has been built up to the level of 'Resonance'.

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6.6 SELF ASSESSMENT QUESTIONS

1. Discuss brand building and its advantages.

2. Explain the brand resonance model.

3. What is brand imagery? Describe in detail Keller's four kinds of intangibles.

Multiple Choice Questions

1. At the peak of the ___________ brand resonance focuses on the ultimate relationship and level of identification that the customer has with the brand.

   a. Mind
   b. Mountain
   c. Pyramid
   d. Advertising

2. Brand ____________ reflect the customers' emotional responses and reactions to the brand

   a. Equity
   b. Positioning
   c. Image
   d. Feelings

3. Which of the following statements are true:

   a. Warmth and fun are two of the seven important types of brand feeling.
   b. Warmth and fun are two of the six important types of brand feeling.
   c. Crying and nagging are two of the seven important types of brand feeling.
   d. Wild and whacky are two of the seven important types of brand feeling.

4. Which of the following statements are false:

   a. Brand personality is based on persons.
   b. Creativity refers to the brand's product features.
   c. Imagery refers to the intangible aspects of the brand.
   d. Brand performance describes how well the product or service meets' customers' more functional needs.

Answers

1. (C), 2. (D), 3. (B), 4. (A, B)

6.7 RECOMMENDED READING

Book

❖ Strategic Brand Management, by Kevin Lane Keller.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 7

BRAND LOYALTY

Objective

After completing this chapter, you will be able to understand:

- Brand loyalty, its triggers, benefits and other related studies, such as multi-brand buying behaviour.

Structure:

7.1 Introduction

7.2 The Origin of Brand Loyalty

7.3 Defining Brand Loyalty

7.4 Aaker's Brand Loyalty Pyramid

7.5 Benefits of Brand Loyalty

7.6 Summary

7.7 Activity

7.8 Self Assessment Questions

7.9 Recommended Reading

7.1 INTRODUCTION

Think of the many brands you come across and experience in your daily life. There would be a hundred of them. Now, think of that one brand that you cannot do without, despite the fact that there are many out there with the same features and quality. Ask yourself, why do you, then, prefer that one single brand? What is it that triggers you to choose that brand?

Why do most iPhone users prefer no other mobile than an iPhone? Why do children buy only one brand of chocolates? Why does an alcoholic prefer a Johnny Walker over a Chivas Regal? What could be the reason behind one particular brand of cooking oil having a permanent position in the kitchen of a family, for over two generations?

Is brand loyalty the single answer to all these questions? Let’s explore.

7.2 THE ORIGINS OF BRAND LOYALTY

The concept of brand loyalty first appeared in the 1940s as a unidimensional construct. Later, the 1950s saw the emergence of two separate loyalty concepts: one, to measure attitude and the other to measure behaviour. This bi-dimensional composite model was presented by Jacoby and Chestnut in 1971. Using this model as a base, several models have emerged since then.

Back to the present, as Kapferer states, “Brands continue to stimulate interest, even though so many prophets and experts have recently claimed they have no future. Managers have also rediscovered that the best kind of loyalty is brand loyalty, not price loyalty or bargain loyalty, even though as a first step it is useful to create behavioural barriers to exit.”

Kapferer’s observation holds good, considering the fact that in the year 2000 the top 16 retailers in Europe together spent more than $1 billion on loyalty initiatives.

The individual observations of Jensen, Reichheld and Sasser conclude that retaining current customers and making them loyal to the brand is critical for the survival of the company (brand).

As also discussed in the previous chapters, it is far cheaper to retain an existing customer than it is to attract a new one.

Czepiel et al., and Foster claim that seeking new customers can be up to six times higher in cost than retaining an existing one, and that companies should strive to retain their customers by what means they have in their marketing tool box.

Brand loyalty is one such tool, which offers enormous competitive advantage in the market place. Loyalty ensures repeat purchases, and thus adds numbers to the sales figure, and subsequently sets the cash registers ringing.

7.3 DEFINING BRAND LOYALTY

Jacoby and Chestnut define brand loyalty as a biased behavioural response, expressed over time, by some decision making unit with respect to one or more alternative brands out of a set of such brands, and is a function of psychological (decision making process, evaluative) processes.

Oliver (1999) defines it as a deeply held commitment to repurchase or re-patronise a preferred product/ service consistently over time, despite situational influences and marketing efforts that might have the potential to cause switching behaviour.

While Jacoby and Chestnut, as well as Oliver have stressed on repurchase as the key indicator of loyalty, it is to be noted that repurchase is not the only factor to be considered. Bloemer points out that there is a significant difference between repeat purchase and brand loyalty. While repeat purchase is buying of the brand frequently, brand loyalty occurs when the consumer has significant relation towards a brand expressed by repeat purchase. Such kind of loyalty is advantageous to the brand, as the consumer may also be ready to purchase the brand at a premium and may also be involved in introducing the brand to new prospects.

According to Jones et al., there are two types of loyal customers: the behavioural and emotional. The behavioural customer buys a product out of habit, or because his behaviour has been conditioned to use/purchase a particular brand. The emotional customer finds an emotional connect with the brand, which leads to purchase.

The American Marketing Association defines brand loyalty from two perspectives:

1. From the sales promotion perspective, brand loyalty is the situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time, rather than buying from multiple suppliers within the category.

2. From the consumer behaviour perspective, brand loyalty is the degree to which a consumer consistently purchases the same brand within a product class.

Commitment to a particular brand is what is expressed in almost all definitions of brand loyalty. However, the crucial question that arises is about the levels of commitment. Philip Kotler defines whether the customer is committed to the brand with four patterns of behaviour:

1. **Hard core loyals:** They are the ones who buy the brand all the time.

2. **Soft core loyals:** They are loyal to two or three brands.

3. **Shifting loyals:** They keep moving from one brand to another.

4. **Switchers:** They are not loyal. They could either be deal-prone (prone to bargains and deals) or vanity-prone (looking for something different).

7.4 AAKER'S BRAND LOYALTY PYRAMID

David A. Aaker defines brand loyalty as a measure of the attachment that a customer has to a brand. It reflects how likely a customer will switch to another brand, especially when the brand makes a change, either in price or in product features.

Aaker, in his brand loyalty pyramid identifies five levels of brand loyalty, ranging from not loyal to very loyal. The lowest level is at the bottom of the pyramid. Each level focuses on a particular behaviour, and discusses the challenges faced by marketing professionals in their efforts to push a customer to a higher level.

Fig 7.1: Aaker's Brand Loyalty Pyramid

Source: Managing Brand Equity, Free Press, New York.

According to the model, there are five types of consumer behaviour on the brand loyalty scale: (1) Switchers (2) Satisfied/Habitual customers (3) Satisfied buyers with switching costs (4) Brand likers (5) Committed buyers.

1. Switchers

The concept of loyalty is absent in these buyers. They are not loyal to any particular brand, and their purchase behaviour does include any particular brand. There is a tendency among these buyers to buy a brand in a sale, or any such promotional scheme, or any brand that they may come across during the buying process. They do not mind switching brands. In order to take them up the pyramid, marketing efforts should focus on raising brand name awareness, as it is the precondition for moving up the pyramid.

2. Satisfied/Habitual buyer

These buyers buy a brand out of sheer habit. They are reasonably satisfied customers and see no point in changing their buying habits. If the brand in question is not available in a particular outlet, they will easily buy any that is available, instead of hunting for the brand they are habituated to, somewhere else. In the case of such buyers, marketing efforts should be targeted at raising the threshold between the brand and other brands.

3. Satisfied buyer with switching costs

These buyers are satisfied with the brand. However, these buyers are reluctant to switch over to a competing brand due to existing thresholds. These thresholds can come in the form of: (a) Expenses incurred in terms of time. For example, a customer may not find it comfortable, or necessary, or find the time to go to another outlet, or another location to find the usual brand. (b) Expenses incurred in terms of money. (c) The feeling of making concessions to quality. In order to attract such satisfied buyers into switching over to a brand, the marketing should focus on compensating the switching costs, by offering benefits, such as freebies and discounts. Secondly, the marketing should also focus on increasing perceived quality.

4. Those who like the brand

They can be called brand likers and these buyers are absolute brand enthusiasts. They love the brand largely because their preference is engendered by an experience of emotional benefits, further fuelled by the rational benefits, such as price, time and quality. Emotional benefits can be pursued by linking certain associations (through advertisements in various mediums – television, radio, print) and/ or experiences (such as shopping) to a brand. The entire attitude toward the brand can be seen as a kind of friendship. Ask these buyers why they like the brand. And perhaps they may not be able to give a reason supporting their love and preference, which Aaker says is normal in most emotional bonds.

5. Committed buyer

You can call this class of consumers as loyalists. They are proud about the brand. And they don't just express their pride, but rather flaunt it. This class of brand buyers buy the brand because it closely identifies with their personal values. Brand loyalty programmes, reward programmes, preferential treatment, are few of the many ways in which these loyalists are rewarded for their commitment to the brand.

7.5 BENEFITS OF BRAND LOYALTY

The benefits of brand loyalty are manifold. Let's look at it from the perspective of various brand theorists and studies.

- Ambler et al., observe that firms selling brands with a high rate of loyal consumers reduce the marketing costs of the firm (as compared to the cost of attracting a new consumer).

- Douglas B. Holt observes that in tough economic times when costs escalate, credit access shrinks and competition increases, a strong and resilient brand has a competitive edge in the market. Brand loyalty is one factor that strengthens a brand.

- Brand loyal consumers are willing to pay higher prices and are less price-sensitive.

- According to Aaker, brand loyalty provides the firm with trade leverage and valuable time to respond to competitive moves.

*According to Aaker, Buchanan and Giles, Orth and Malkewitz, McCain, the commonly identified benefits of brand loyalty are as follows:

- The cost of acquisition occurs only at the beginning of a relationship, so the longer the relationship, the lower the amortised cost.

- Account maintenance costs decline as a percentage of total costs (or as a percentage of revenue).

- Loyal customers tend to be less inclined to switch, and also tend to be less price-sensitive which can result in stable unit sales volume and increases in dollar-sales volume.

- Loyal customers may initiate free word-of-mouth promotions and referrals.
- Loyal customers are more likely to purchase ancillary products and high margin supplemental products.
- Customers who stay with a brand tend to be satisfied with the relationship and are less likely to switch to competitors, making it difficult for competitors to enter the market or gain market share.
- Regular customers tend to be less expensive to service because they are familiar with the process, require less brand education, and are consistent in their order placement.
- Increased customer retention and loyalty makes the employees' jobs easier and more satisfying. In turn, happy employees feedback into better customer satisfaction in a virtuous circle.
- Premium pricing can be attained with brand loyal customers.
- Increased satisfaction of customer base.
- Increased habitual buyers of brand products.
- Loyalty of brand is transferred to other products of same brand.
- Increased sales and profit margins result.

***Source:** Paper – 'A Model to Measure the Brand Loyalty for Fast Moving Consumer Goods' by Ahmed I. Moolla and Christo A. Bisschoff (J Soc Sci, 31(1): 71-85 (2012)

7.6 SUMMARY

The concept of brand loyalty first appeared in the 1940s as a unidimensional construct. Later, the 1950s saw the emergence of two separate loyalty concepts: one, to measure attitude and one to measure behaviour. This bi-dimensional composite model was presented by Jacoby and Chestnut in 1971. Using this model as a base, several models have emerged since then.

Kapferer states, "Brands continue to stimulate interest, even though so many prophets and experts have recently claimed they have no future. Managers have also rediscovered that the best kind of loyalty is brand loyalty, not price loyalty or bargain loyalty, even though as a first step it is useful to create behavioural barriers to exit."

Brand loyalty is one such tool, which offers enormous competitive advantage in the market place. Loyalty ensures repeat purchases, and thus adds numbers to the sales figure, and subsequently sets the cash registers ringing.

The American Marketing Association defines brand loyalty from two perspectives:

1. From the sales promotion perspective, brand loyalty is the situation in which a consumer generally buys the same manufacturer-originated product or service repeatedly over time, rather than buying from multiple suppliers within the category.

2. From the consumer behaviour perspective, brand loyalty is the degree to which a consumer consistently purchases the same brand within a product class.

David A. Aaker defines brand loyalty as a measure of the attachment that a customer has to a brand. It reflects how likely a customer will be to switch to another brand, especially when the brand makes a change, either in price or in product features.

According to Aaker's model, there are five types of consumer behaviour on the brand loyalty scale: (1) Switchers (2) Satisfied/Habitual customers (3)

Satisfied buyers with switching costs(4) Brand likers (5) Committed buyers.

Brand loyalty benefits the brand and the firm manufacturing or marketing the brand in many ways.

7.7 ACTIVITY

1. Conduct a research or draft a literature review of any one brand that enjoys immense brand loyalty.

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7.8 SELF ASSESSMENT QUESTIONS

1. Explain Aaker's brand loyalty pyramid.

2. Discuss the origins and definition of brand loyalty.

3. What are the benefits of brand loyalty?

Multiple Choice Questions

1. The longer the relationship, the lower the __________ cost.
    a. Total
    b. Basic
    c. Amortised
    d. Advertising

2. The concept of brand loyalty first appeared in the ___________
    a. 1960s
    b. 1840s
    c. 1740s
    d. 1940s

3. Which of the following statements are true:

   a. In the year 2013 the top 16 retailers in Europe together spent more than $1 billion on loyalty initiatives.

   b. In the year 2000 the top 22 retailers in Europe together spent more than $1 billion on loyalty initiatives.

   c. In the year 2000 the top 16 retailers in Europe together spent more than $1 billion on loyalty initiatives.

   d. In the year 2000 the top 16 retailers in Europe together spent more than $5 billion on loyalty initiatives.

4. Which of the following statements are false:

   a. Jacoby and Chestnut define brand loyalty as a biased behavioural response.

   b. According to Jones et al., there are fourteen types of loyal customers.

   c. Philip Kotler defines whether the customer is committed to the brand with fourteen patterns of behaviour.

   d. Oliver (1999) defines brand loyalty as a deeply held commitment to repurchase or re-patronise a preferred product/ service consistently over time, despite situational influences and marketing efforts that might have the potential to cause switching behaviour.

Answers

1. (C), 2. (D), 3. (C), 4. (B, C)

7.9 RECOMMENDED READING

Book

- Creating Brand Loyalty, by Richard D. Czerniawski & Michael W. Maloney.
- Managing Brand Equity, by David A. Aaker.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

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Video Lecture

Chapter 8

BRANDS AND CONSUMERS

Objective

After completing this chapter, you will be able to understand:

- Consumer-brand relationship, its associated brand relationship theory along with different constructs, and consumer-psychology model of brands.

Structure:

8.1 Introduction

8.2 Defining Consumer-Brand Relationship

8.3 Introduction to Brand Relationship Theory

8.4 Susan Fournier's Brand Relationship Theory

8.5 Aaker's Take on Brand Relationship Quality (BRQ)

8.6 The Consumer-Psychology Model of Brands

8.7 Summary

8.8 Activity

8.9 Self Assessment Questions

8.10 Recommended Reading

8.1 INTRODUCTION

Brands are loved. Brands are hated. Some people are fascinated by a particular brand. Some just see a brand as yet another brand. Some flaunt a brand, others prefer keeping quiet about it. Some are angry at a brand. Some are obsessed with it. Some feel happy about being with a brand, while others consider a particular brand obnoxious. This list of paradoxes and conflicting emotions among consumers toward a particular brand, or brands in general, can go on and on.

When emotions are at play, the existence of a relationship is obvious. Therefore, it would not be wrong to say that brands and consumers do share a relationship. Irrespective of the fact that the relationship could be good or bad, there is a link, if not a bond.

The brand choices that consumers make depend on the kind of relationship they share with a particular brand. There is a psychology at play when a consumer decides to buy a particular brand. It is largely because the consumer makes a conscious decision on permitting the brand to be a part of his or her life.

This chapter will explore this relationship in detail, by getting into the psychological factors that define a consumer’s choice of a particular brand.

8.2 DEFINING CONSUMER-BRAND RELATIONSHIP

Consumer-brand relationship (brand relationship theory) has become a major talking point among brand custodians, signifying greater interest and relevance since the nineties.

Edelman, the world’s largest independent public relations firm, released its second annual Brandshare report in 2014. The report revealed that 87% of consumers want ‘meaningful’ interactions with brands, but only 17% believe companies are delivering. The study, comprising 15,000 respondents, aged 18 and older, spanning 12 countries, also found that 70% of consumers feel brands are mostly focused on boosting their profits. Two-thirds of consumers surveyed (66%) reported that they have a one-sided relationship with brands, where the company asks them to share, but it doesn’t give anything in return.

The 12 countries covered in the study, included the US, Netherlands, UK, Australia, Brazil, Canada, China, France, Germany, India, Japan and Mexico. (Source: PR Week).

The above-mentioned study can be reflected upon to understand how critical it is to nurture and nourish stronger bonds between the consumer and the brand.

There is a great deal of interest among brand custodians and organisations on the subjects of how consumers relate to brands, why a particular brand is preferred over the other, the bonds that consumers share with brands, and largely, what are the factors that develop and nourish these bonds.

Fournier (1998) in her conceptual paper used human relationship metaphors to explain consumer-brand relationships and stated that there exist relationship qualities between consumer and brands. According to her, "The brand person relationship is voluntary or imposed interdependence between a person and a brand, characterised by a unique history of interactions and an anticipation of future occurrences, that is intended to facilitate socio-emotional and instrumental goals of the participants, and that involves some type of consolidating bond."

Blackston, who developed the original consumer-brand relationship concept, argues that brand relationships are the logical extensions of brand personality, which is more or less similar to the relationship between people. He conceptualises brand relationship as nothing novel: "The concept of a relationship with a brand is neither novel nor outrageous. It is readily understandable as an analogue between brand and consumer – of that complex of cognitive, affective, and behavioural processes which constitute a relationship between two people."

Kevin Roberts, CEO of Saatchi & Saatchi - one of the world's leading creative organisations, and author of Lovemarks: The Future Beyond Brands, mentions in his book that brands should be about customers and their relationship with them. The way that products evolved to trademarks and trademarks evolved into brands, brands should evolve to 'lovemarks'. And Lovemarks are oriented around building and strengthening emotional bonds between brands and consumers.

Nebel and Blattberg define consumer-brand relationship as, “An integrated approach to establish, maintain, and enhance relationships between a brand and its customers, and to continually strengthen these relationships through interactive, individualized and value added contacts, and a mutual exchange and fulfilment of promises over a long period of time.”

Taking the concept closer to human relationships, Aggarwal states that, “People sometimes form an intimate bond with brands and, in some extreme cases, a passion that is often associated only with a circle of friends and family.”

The above definitions can be summarised as:

- Consumers, over a period of time develop bonds with brands.
- Brands get humanized in the minds of consumers and lead to a bond that goes beyond utilitarian benefits.
- The consumer-brand relationship is either voluntary or imposed in nature.
- It is developed through a series of interactions between the brand and the consumer.
- Consumer-brand relationships are logical extensions of brand personality.
- It is more or less similar to the relationship between people.
- The focus of this relationship is oriented around building and strengthening emotional bonds between brands and consumers.
- It is an integrated approach to establish, maintain and enhance relationship between the brand and consumers.

8.3 INTRODUCTION TO BRAND RELATIONSHIP THEORY

Brand relationship theory explores the relational approach of consumers and brands.

The research that is an integral part of this theory is phenomenological. Phenomenology is a penetrating style of research that delves deep into 'inner reality' through researching what is felt, perceived and thought. As Tilde Hedin et al., observe: "In the relational approach, consumers are investigated as individuals and their inner and idiosyncratic realities are considered valid. The relational approach is meaning-based. Meaning is created in the interaction between sender and receiver and is opposed to the concept of information which implies a notion of linear communication from sender to receiver."

The theory is based on assumptions regarding the brand-consumer exchange as a dyadic and cyclical process that resembles human relationships. However, while the consumers are human, brands are not. Therefore, the theory's supporting theme considers the abstraction of regarding the brand as human. This idea of regarding inanimate objects (in this case, brands) or mental constructs with human characteristics is called animism.

Another supporting theme to the theory is relationship. What is relationship? Relationships are crucial to the development of the human psyche. The relationship we share with people consists of our continuous reciprocal exchanges between interdependent relationship partners. No relationship can exist without the active interchanges between relationship partners.

Thus, these two themes – animism (with regard to the brand) and relationship (with regard to the consumer) support the core theme: the brand relationship theory.

8.4 SUSAN FOURNIER’S BRAND RELATIONSHIP THEORY

Susan Fournier did an extensive research on the lived experiences of three female informants’ experiences with brands. The research proved that brands can and do serve as viable relationship partners in the sense that they are endowed with human personality characteristics and are used for solving life themes, life projects and current concerns.

The following box provides a brief description of the characters Fournier used in her study.

Background of the brand relationship theory

The study behind the brand relationship theory involves three female informants; Jean, Karen and Vicki.

JEAN

Jean is fifty-nine years old, has been married to Henry for most of her life, and tends a bar in her small blue-collar home town. She is the mother of three grown-up daughters and of Italian descent. Her Catholic faith and family traditions are important to her. When it comes to life themes, affiliation and stability are important in Jean's life. Jean displays brand relationship depicting these life themes as she enjoys using a portfolio of brands for many years. Having been a housekeeper, a mother and a waitress all her adult life, Jean sees herself as a consumer expert, knowing exactly which brands are 'the best'.

KAREN

Karen's life situation is very different. She is a recently divorced thirty-nine year-old mother of two girls and works full-time as an office manager. She finds herself in a dilemma, on the one hand wanting to pursue new paths in her life, and on the other to create a stable home for her two young children. Karen's life themes are influenced by the transition phase she is experiencing. Karen does not display emotional attachment to brands to the same degree as the other two women. Due to the financial reality of being a single parent she has adopted a very practical approach to brand purchases, going for coupons and other promotions. However, she displays emotional attachment to a few selected brands that are central for upholding her sense of identity in her transitional phase. Karen also displays an experiential approach to brand consumption, reflecting her life situation, where she feels an urge to start over again.

VICKI

Vicki is the youngest of the three respondents. She is twenty-three years old and in her final year of studying for her master's degree. Vicki is in a transition period between being a dependant child and an independent adult. She uses brands as means in a meaning-based communication system, trying out the potential identities and possible selves typical of the transition phase she is in. The way the different life situations and life themes of the three women interact with the way they consume is the background of the brand relationship theory. Despite the different nature of their brand consumption, they all relate to brands in a way that is comparable to the way we relate to each other in human relationships.

Source: Fournier (1998), adapted from 'Brand Management – Research, Theory & Practice' by Tilde Heding, Charlotte F. Knudtzen & Mogens Bjerre.

The characteristics of the human relationships and the way these are connected with the identity of the participants' lives are hence transferred to the consumer-brand relationships and the concept of brand relationships between brands and consumers is verified. (Fournier, 1998)

Using the characteristics of these three women, Fournier arrives at the relationship that consumers have with brands: Some brand relationships last a lifetime and express some of the users' core values and ideas; others express brand loyal behaviour, but the consumption pattern changes over a period of time; others deliver on current concerns without being a fundamental part of the consumer's consumption pattern.

Table 8.1: Relationship Forms

Relationship Form	Definition	Examples
Arranged marriages	Non-voluntary union imposed by preferences of third party. Intended for long-term, exclusive commitment, although at low levels of affective attachment.	When married, Karen adopted her husband's favourite brands.
Casual friends/ buddies	Friendship low in affect and intimacy, characterised by infrequent or sporadic engagement, and few exceptions for reciprocity or reward.	Karen switches between five different detergent brands, buying whatever is on sale.
Marriages of convenience	Long-term, committed relationship precipitated by environmental influence versus deliberate choice, and governed by satisfying rules.	After a move of residence, Vicki cannot buy her favourite brand of baked beans, which makes her reluctantly switch to a competing brand.
Committed partnerships	Long-term, voluntarily imposed, socially supported union high in love, intimacy, trust and commitment to stay together despite adverse circumstances. Adherence to exclusivity rules expected.	This is the relationship form Jean has with the majority of brands she uses for cleaning and cooking.

Best friendships	Voluntary union based on the principle of reciprocity, the endurance of which is ensured through continued provision of positive rewards. Characterised by revelation of true self, honesty and intimacy. Congruity in partner images and personal interests common.	In Karen's phase of finding her feet after a divorce, running every morning means a lot to her and has become a symbol of her new self. In this connection Reebok has become a brand that is a 'best friend' to Karen.
Compartmentali-sed friendship	Highly specialised, situationally confined, enduring friendships characterised by lower intimacy than other friendship forms but higher socio-emotional rewards and interdependence. Easy entry and exit.	Vicki uses a variety of different perfume brands to display different sides of herself in different situations.
Kinships	Non-voluntary union with lineage ties.	Vicki and Karen have 'inherited' same brand preferences from their mothers.
Rebounds/ avoidance-driven relationships	Union precipitated by desire to move away from prior or available partner, as opposed to attraction to chosen partner per se.	At work Karen could choose between a Gateway and an Apple computer. She chose the prior because she does not define herself as an Apple person.
Childhood friendships	Infrequently engaged, affectively laden relation reminiscent of earlier times. Yields comfort and security of past self.	To Jean and Estee Lauder brand evokes strong memories of her mother.
Courtships	Interim relationships on the road to committed partnership contract.	Wanting to find the 'right' scent, Vicki and her mother tried out several musk perfumes before settling for the Intimate Musk brand.

Dependences	Obsessive, highly emotional, selfish attractions cemented by feeling that the other is irreplaceable. Separation from other yields anxiety. High tolerance of other's transgressions results.	Appearance is most important to Karen and she thanks Mary Kay and her running routine for her youthful looks. As this aspect of appearance is crucial for Karen's identity in her transitional phase as recently divorced, she is highly emotional and truly loyal to the Mary Kay brand.
Flings	Short-term, time-bounded engagements of high emotional reward but devoid of commitment and reciprocity demands.	Vicki tries out several trial-size shampoos and conditioners.
Enmities	Intensely involving relationships characterised by negative affect and desire to avoid or inflict pain on the other.	Karen has negative feelings toward Diet Coke, as she, taking great pride in not having any weight problems, enjoys being able to drink Classic Coke.
Secret affairs	Highly emotive, privately held relationship considered risky if exposed to others.	Karen has Tootsie Pops in her office desk and eats them in secret.
Enslavements	Non-voluntary union governed entirely by desires of the relationship partner. Involves negative feelings but persists because of circumstances.	Karen used Southern Bell and Cable Vision, as she has no other choice.

Source: Fournier (1998), adapted from 'Brand Management – Research, Theory & Practice' by Tilde Heding, Charlotte F. Knudtzen & Mogens Bjerre.

Explaining Fournier's theory, Tilde Hedin et al., observe that the pattern of brand relationships resembles the pattern of human relationships in the case of the three women serving as objects of research. Thus, according to them, the role played by brands in the life of the individual consumer is deeply linked to the overall identity and the way the identity is reflected in their human relationships. Anyone with few but deep and lasting human relationships will also be loyal to a few preferred brands, while a person who prefers to experiment more with people relationships will have a tendency to be rather experiential, when it comes to brand choice. Relationships are volatile and intangible. The same goes for brand relationships. Therefore, the brand manager should execute this theory to his or her work with the aim of making the brand relationship as meaningful, steady and lasting as possible.

Fournier furthers the brand relationship theory by putting forward the Brand Relation Quality construct. The BRQ construct stresses on the quality, depth and strength of the consumer–brand relationship. Six important relationship factors (love/passion, self-connection, interdependence, commitment, intimacy and brand partner quality) are identified as influencing the durability and quality of the relationship. The relationship is basically meaning-based, reflecting the reciprocal nature of a relationship.

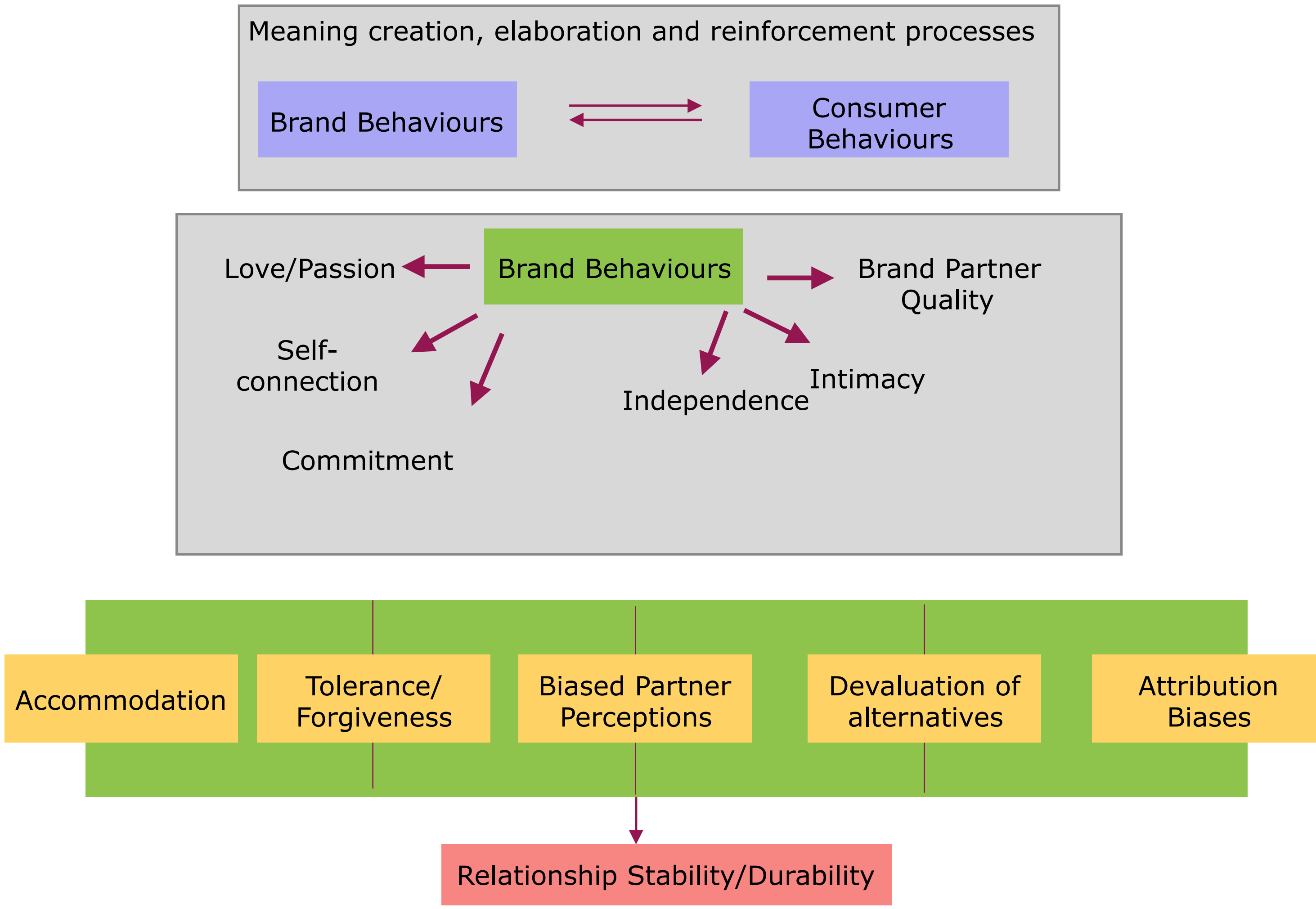

Fig 8.1: Model of brand relationship quality and its effects on relationship stability

Source: Journal of Consumer Research, Vol. 24, March 1998, 'Consumers and Their Brands: Developing Relationship Theory in Consumer Research' – Susan Fournier.

The Fig. 8.1 expresses the Brand Relationship Quality (BRQ) construct, which conceptualises the many and complicated layers of the consumer-brand relationship, outlaying the six meaning-based interaction, which are the important facets of an important relationship.

8.5 AAKER'S TAKE ON BRAND RELATIONSHIP QUALITY (BRQ)

David Aaker, in his article 'Seven Brand-Customer Relationships that Create Loyalty' expounds on Susan Fournier's dissertation in which she used human relationship as a metaphor for brand relationships. The seven dimensions are as follows:

1. Behavioural interdependence

In today's context, this is similar to the mobile phone. The iPhones, Samsungs, Experieas, or HTCs play a very vital role in the lives of people. Behavioural interdependence is the intensity of the relationship in which the actions of the relationship partners are intertwined. It reflects the depth of involvement of the consumer in the brand. According to Aaker, the indicators are the frequency of interaction and the importance of and involvement in the use occasion.

- This brand plays an important role in my life.
- I feel like something's missing when I haven't used the brand in a while.

2. Personal commitment

Take the case of Cadbury's. Around 2003, a few instances of worms in its Dairy Milk brands were reported in Maharashtra. In less than two weeks, the brand launched a massive advertising and PR campaign, roping in superstar Amitabh Bachchan. The exercise worked, not only because of the campaign, but also because of the equity it shared with its customers. There existed, somewhere among its consumers, a personal attachment with the brand. In human relationships too, personal commitment comes about when both partners are committed to each other. Such is also the case when it comes to the brand and consumer. While the consumer expresses this commitment in terms of brand loyalty, the brand in turn reflects it through various relationship management programmes. In this case, Aaker says, there is a desire to improve or maintain the quality of the relationship over time and guilt when it is compromised.

- I feel very loyal to this brand.
- I will stay with this brand through good times and bad.

3. Love and passion

Take the example of sportsmen, who can't do without a Nike or an Adidas, or for that matter, women who would want nothing but L'Oreal or a Lakme or a Revlon. 'There can't be any other in my life' is the level of this relationship. As Aaker puts it, love and passion refers to the intensity of emotional bonds between the partners, the inability to tolerate separation, and the reflection of love and passion that exist. Here, a passionate link has been established with the brand and substitutes create discomfort.

- No other brand can quite take the place of this brand.
- I would be very upset if I couldn't find this brand.

4. Nostalgic connection

Everyone remembers the Cuticura talcum powder and relates it to a particular point in time of their lives. A similar instance is of the television channel, Doordarshan. Nostalgic connection bases the relationship in part on the memory of good times.

- This brand reminds me of things I've done or places I've been.
- This brand will always remind me of a particular phase of my life.

5. Self-concept connection

The Jaguars, Mercs and Phantoms create such an image through their advertising that generally gives rise to such connections. In this case, the partners share common interests, activities and opinions. The brand reflects the interests and activities of the person.

- The brand's and my self-image are similar.
- The brand reminds me of who I am.

6. Intimacy

Ask consumers of Amway and one will know what intimacy really means. The reason for such intimacy with products of Amway was not only because of the quality, but also because Amway chose to increase knowledge and equity of the organisation. In this relationship, a deep understanding exists between partners. The consumer will achieve intimacy by knowing details about the brand and its use. On the other hand, one-on-one marketing programs will enhance intimacy by fostering mutual understanding.

- I know a lot about this brand.
- I know a lot about the company that makes this brand.

7. Partner quality

Aquaguard gave consumers the feeling that this brand cares for them and that this brand will partner them in them efforts to keep their family healthy. This, it did by first expressing the virtue of quality, and then by extending the maintenance of this quality by offering excellent after-sales service at the consumer's doorstep. This relationship is based on the evaluation by one partner of the performance and attitude of the other. In this case, it is the evaluation by the consumer of the brand's attitude toward the consumer.

- I know this brand really appreciates me.
- This brand treats me like a valued customer.

8.6 THE CONSUMER-PSYCHOLOGY MODEL OF BRANDS

The consumer-psychology model of brands was proposed by Bernd Schmitt, which distinguishes three levels of consumer engagement. He identified the key brand constructs related to consumer psychology and integrated them into a comprehensive model. The focus of this model is not on brand outcomes, such as brand choice, purchase, or loyalty, but on the underlying psychological constructs and processes that contribute to these outcomes. The model, as presented below, addresses consumer perceptions and judgments and their underlying processes as they relate to brands.

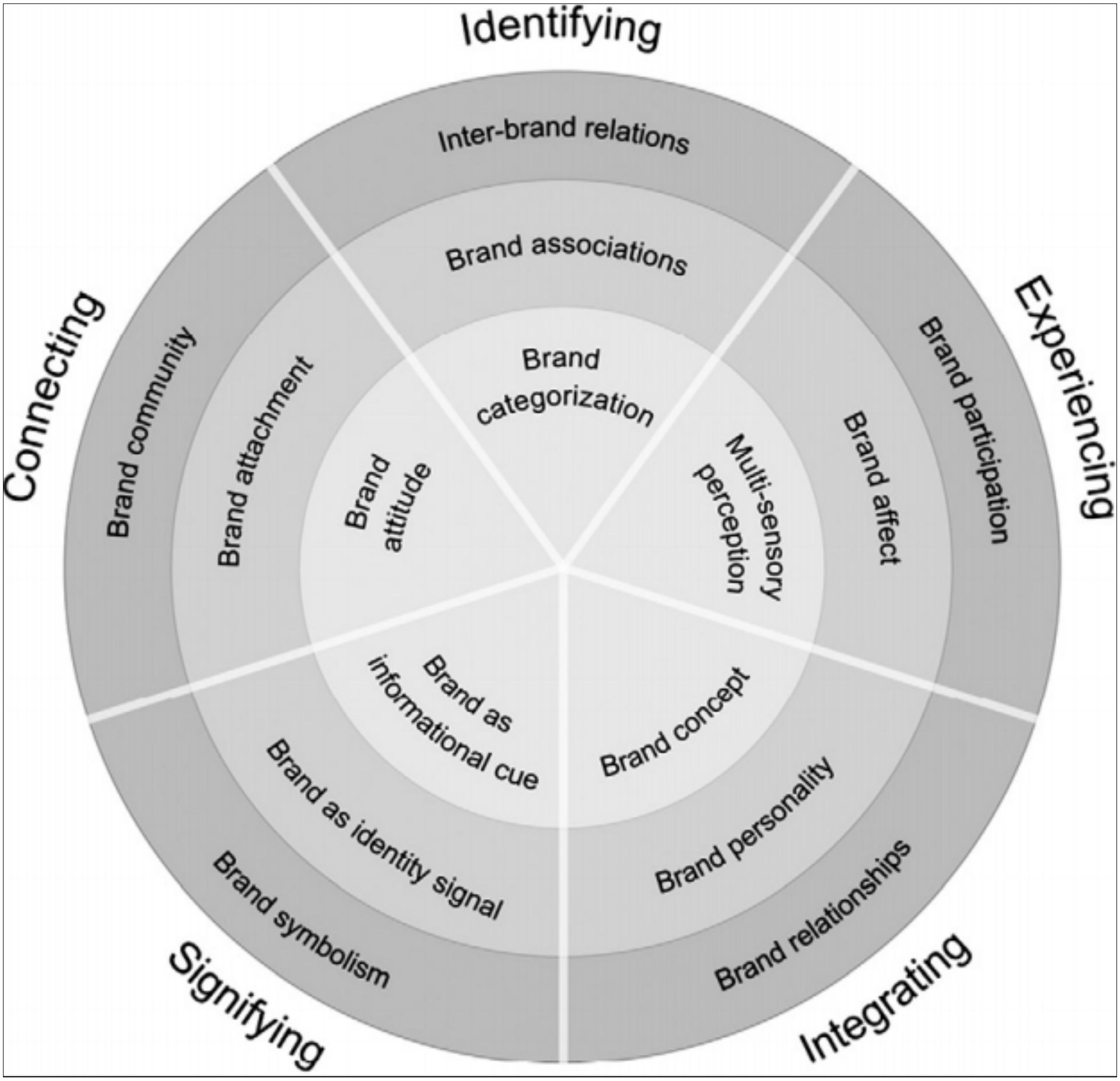

Fig 8.2: Consumer-psychology Model of Brands.

Source: The Consumer Psychology of Brands, Bernd Schmitt, Journal of Consumer Psychology.

Fig 8.2 shows that consumers have different levels of psychological engagement with brands because of different needs, motives and goals. The model comprises of three circles (layers), which depict three levels of engagement.

Innermost layer: It represents object-centred, functionally driven engagement. In this level, the consumer manages to get information about the brand purely from the utilitarian point of view. The consumer, in this level, acquires information with the goal of receiving utilitarian benefits from the brand.

Middle layer: This level represents a self-centred engagement, where in the brand becomes personally relevant to the consumer.

Outer layer: This layer represents social engagement with the brand. Here, the brand is seen from an interpersonal and sociocultural perspective, and has a sense of community.

According to Bernd Schmitt, as we move from the inner to the outer layer, the brand becomes increasingly meaningful to the consumer.

Just a little beyond the outer layer are the brand-related processes. Thus, the model also distinguishes five such processes: identifying, experiencing, integrating, signalling and connecting with the brand.

<u>Identifying</u>

The process of identifying covers searching for, being exposed to and collecting information about the brand, its category and related brands. Based on the consumer's level of psychological engagement, ‘identifying’ concerns categorisation, associations with the brand, or inter-brand relations.

Brand categorisation: Consumers’ engagement with the brand at the object-centred level concerns with collecting information about the product category. They link the brand logo or name to a product category, or for corporate brands, industry category. However for this action to be initiated, brand awareness is necessary. Only if the consumer is aware of the brand he can get into the linking process. Awareness is a memory-related aspect. And memory depends on retrieval cues, which may be self-generated or externally-generated. Based on the memory and recall, the consumer will categorise the brand.

Brand associations: To establish association, consumers identify information that is relevant to them. The brand association that we desire to create in the consumer's mind constitutes a brand's identity, and may include attributes, benefits and images that the consumer encounters. That apart, the consumers will also develop their own associations with the brand. Keller opines that brand associations can differ in valence, strength, uniqueness and coherence. They are also structured in terms of level of generality, and the activation of these associations is often automatic in nature.

Inter-brand relations: What is the relation of this brand to another? This is the question that will most often pop into the consumer's head. Bernd Schmitt observes that brands become contextualised when they are compared to other brands. According to him, going by the many studies that have been done on consumer response, consumers compare a brand to another, which increases their understanding of the brands involved.

Experiencing

Sensory perceptions of the brand, brand affect, and the participatory experiences that a consumer may seek with a brand constitute the experience process. Brakus et al., conceptualise experiences as multidimensional, including sensory, affective-cognitive, and behavioural dimensions.

Multi-sensory perception: It refers to the five senses of sight, sound, smell, touch, and taste. At various touch-points brands provide multi-sensory stimulations. According to Bernd Schmitt, when consumers are engaged with a brand in an object-centred, functional way, they pick up the multi-sensorial stimuli of the brand – its logo, brand characteristics, verbal or auditory slogan as presented in a store or on television, in print or banner ads mindlessly.

Brand affect: Brands also induce positive or negative moods and make consumers feel joyful and happy or angry and sad, especially when consumers engage with brands in a self-centred way. These feelings may range from mild affect to strong emotions. While emotions are strong and object-directed, moods are milder affective states, less focussed and more diffused.

Brand participation: Brand participation in the model proposes that when consumers are socially engaged, they may experience the brand by actively participating and interacting with it. Consumers are neither passive recipients of information, nor active processors of information stored in their minds. The experience of participation is the key here. Interactive retail atmosphere, live events, shows, sporting activities and of late, the social media allow for brand participation.

Integrating

The process of integration refers to consumers combining brand information and summarising it in an overall brand concept, personality or relationship with the brand.

Brand concept: Brand concept is a psychological construct formed by the integration of information associated with a product brand or a corporate brand. This integrated information is usually stored in the form of a super-ordinate concept, such as 'quality,' 'innovative,' or 'lifestyle' brand. The overall brand concept is considered by many researchers as an integral component of brand equity.

Brand personality: According to Aaker, when consumers are engaged in a self-relevant way, information and experiences may be integrated further by inferring trait and personality characteristics about a brand. Consumers, over a period of time ascribe human characteristics to a brand, which is also termed as anthropomorphising. The brand personalities that are bestowed on the brand are relatively stable over time. However, there is the possibility of variance in different consumption settings, in line with the idea of 'malleable self'. Most importantly, as Bernd Schmitt observes, these inferred personalities differentiate brands in the mind of consumers even when they cannot articulate differences in associated attributes and benefits, or when there are few sensory differences.

Brand relationships: As already discussed earlier in this chapter, consumers also interact with brands in ways that parallel interpersonal and social relationships.

Signifying

This has got a lot to do with semiotics. Semiotics is a philosophical theory of the functions of signs and symbols. So, if we were to look at brands from the semiotics point of view, they may be viewed as signifiers that transfer meaning. Depending on how engaged the consumer is with the brand, the said brand may act as an informational cue, personal identity signal or cultural symbol.

Brands as informational cues: The accumulated information and knowledge about a brand can be used in a functional-rational way as informational cues. According to Zeithaml, price and quality of a brand are the most widely used types of informational signals, signifying that a brand is a value, premium or luxury brand. Brands can flourish if the signal they convey is clear, consistent and, most importantly truthful and dependable.

Brands as identity signals: The brand can be the signal for a consumer's personal identity. Consumers relate to brands as a reflection of their own identities. So, wearing a Levis is cool because consumers buying the brand see their identity of 'being cool' with Levis. The part of the self that is defined by brands is called self-brand identity. The self-brand connection scale measures the strength of the link between the self and a particular brand. Consumers use brands to express and display, and better understand, their selves.

Brands symbolism: Brands may also be used to represent a group, a society, or culture. Holt states that, as cultural symbols, they can stand for nations (McDonald's), generations (Gap), and cultural values (Harley Davidson). Exemplary symbols can assume the role of cultural icons and assume mythical qualities. For instance, products of the Apple brand embed the culture of 'I am different' based on its perceived symbol of innovation.

Connecting

Summarising the approach, the model distinguishes three psychological constructs, indicating various ways of connecting with a brand that differ in strength and affect the consumer's interaction with the brand. These constructs are: brand attitude, brand attachment and brand community.

Brand attitude: Brand attitude results from object-centred engagements with brands. They are psychological tendencies to evaluate objects along a degree of favour or liking. Attitudes can be implicit or explicit. Implicit attitudes are based on associative processes that are activated automatically with little cognitive capacity or explicit intention to evaluate an object. Explicit attitudes are evaluative judgments that are derived through a reflective system and the resulting propositions are subject to syllogistic inferences that access their validity. According to Park and MacInnis, positive attitudes express a relatively weak connection with a brand. They are generalised dispositions to behave toward a brand, and they may lead to simple preference and purchase intentions. However, attitudes are often not stable over time, and the attitude-behaviour link is weak and subject to numerous moderator effects.

Brand attachment: Brand attachment provides stronger connections than brand attitudes. In the area of consumer psychology, consumers form emotional attachment to gifts, collectibles, places of residence and, in particular, to brands. Brand attachment refers to the predicted consumer intentions to perform behaviours that use significant resources, such as time, money and reputation, better than brand attitudes.

Brand community: Muniz and O'Guinn define brand community as, "a specialized, non-geographically bound community, based on a structured set of social relationships among users of a brand." Brand communities are: (1) explicitly commercial (2) not like other communities such as neighbourhood groups or social clubs (3) not tied to a particular country, region or zone.

Brand community brings about emotional involvement and connection with the group, and creates shared goals among members, who may engage in joint actions to accomplish these collective goals. They provide help and support, recommendations, and interactions with like-minded consumers.

8.7 SUMMARY

Consumer-brand relationship (brand relationship theory) has become a major talking point among brand custodians, signifying greater interest and relevance since the nineties.

Consumer-brand relationship can be summarised as:

- Consumers, over a period of time develop bonds with brands.
- Brands get humanized in the minds of consumers and lead to a bond that goes beyond utilitarian benefits.
- The consumer-brand relationship is either voluntary or imposed in nature.
- It is developed through a series of interactions between the brand and the consumer.
- Consumer-brand relationships are logical extensions of brand personality.
- It is more or less similar to the relationship between people.
- The focus of this relationship is oriented around building and strengthening emotional bonds between brands and consumers.
- It is an integrated approach to establish, maintain and enhance relationship between the brand and consumers.

Brand relationship theory explores the relational approach of consumers and brands. The research that is an integral part of this theory is phenomenological. Phenomenology is a penetrating style of research that delves deep into 'inner reality' through researching what is felt, perceived and thought.

Susan Fournier did an extensive research on the lived experiences of three female informants' experiences with brands. The research proved that brands can and do serve as viable relationship partners in the sense that they are endowed with human personality characteristics and are used for solving life themes, life projects and current concerns.

The characteristics of the human relationships and the way these are connected with the identity of the participants' lives are hence transferred to the consumer-brand relationships and the concept of brand relationships between brands and consumers is verified. (Fournier, 1998)

Using the characteristics of three women, Fournier arrives at the relationship that consumers have with brands: Some brand relationships last a lifetime and express some of the users' core values and ideas; others express brand loyal behaviour, but the consumption pattern changes over a period of time; others deliver on current concerns without being a fundamental part of the consumer's consumption pattern.

Fournier furthers the brand relationship theory by putting forward the Brand Relation Quality construct. The BRQ construct stresses on the quality, depth and strength of the consumer–brand relationship. Six important relationship factors (love/passion, self-connection, interdependence, commitment, intimacy and brand partner quality) are identified as influencing the durability and quality of the relationship. The relationship is basically meaning-based, reflecting the reciprocal nature of a relationship.

The consumer psychology model of brands was proposed by Bernd Schmitt, which distinguishes three levels of consumer engagement. He identified the key brand constructs related to consumer psychology and integrated them into a comprehensive model. The focus of this model is not on brand outcomes, such as brand choice, purchase, or loyalty, but on the underlying psychological constructs and processes that contribute to these outcomes. The model, as presented below, addresses consumer perceptions and judgments and their underlying processes as they relate to brands.

8.8 ACTIVITY

1. Research any one brand with reference to Bernd Schmitt's consumer-psychology of brands.

………
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8.9 SELF ASSESSMENT QUESTIONS

1. Discuss Susan Fournier's brand relationship theory.

2. Define consumer-brand relationship.

3. What is Aaker's take on BRQ?

4. Explain in detail the consumer-psychology of brands.

Multiple Choice Questions

1. Tilde Hedin et al., observe that the pattern of ____________________ resembles the pattern of human relationships in the case of the three women serving as objects of research.

   a. Brand Relationships
   b. Product Relationships
   c. Action
   d. Relationships

2. Ask consumers of Amway and one will know what _______________ really means

   a. Passion
   b. Love
   c. Intimacy
   d. Brand

3. Which of the following statements are true:

   a. The innermost layer of Aaker's consumer-psychological model represents object-centred, functionally driven engagement.

   b. The innermost layer of Bernd Schmitt's consumer-psychological model represents the brand.

   c. The outermost layer of Bernd Schmitt's consumer-psychological model represents object-centred, functionally driven engagement.

   d. The innermost layer of Bernd Schmitt's consumer-psychological model represents object-centred, functionally driven engagement.

Answers

1. (A), 2. (C), 3. (A)

8.10 RECOMMENDED READING

Books

- Brand Management – Research, Theory & Practice, by Tilde Heding, Charlotte F. Knudtzen and Mogens Bjerre.

Papers

- The Consumer Psychology of Brands, by Bernd Schmitt (Journal of Consumer Psychology 22 (2012) 7–17)

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 9

BRAND POSITIONING

Objective

After completing this chapter, you will be able to understand:

- Brand positioning, the process of developing a positioning statement and various concepts attached to positioning.

Structure:

9.1 Introduction

9.2 What Is Positioning?

9.3 Positioning: Matter of the Mind

9.4 Positioning Strategies

9.5 Arriving at the Positioning

9.6 Benefit Laddering

9.7 Repositioning

9.8 Summary

9.9 Activity

9.10 Self Assessment Questions

9.11 Recommended Reading

9.1 INTRODUCTION

Markets are highly competitive and dynamic. Brands are innumerable. Consumers are spoilt for choice. In such circumstances, keeping all other factors constant, the mind of the consumer has a great role to play in brand management. The mind is responsible for one's thoughts and feelings. The mind has the power of reasoning. The mind is the seat of intention and the fortress of intellectual pursuits. The mind remembers, judges and relates. To summarise, nothing can be as powerful as the mind, when it comes to devising ways of putting a brand on the growth track.

And that's what positioning is all about – to book a space in the consumers' minds. The payment to book such a space is nothing, but a good deal of research, strategy and creative thinking.

Brand management can only be effective when the brand adheres to its roots of uniqueness and core values, targets specified market segments, and builds a competitive positioning in the specified market. While brand identity expresses the unique tangible and intangible characteristics in the long term, brand positioning is the short-term combat tool. Positioning is derived from brand identity (Refer Chapter 4.4).

9.2 WHAT IS POSITIONING?

Jack Trout can be called the 'father of positioning'. He introduced the concept of positioning through an article in a magazine – 'Industrial Marketing'. He said, "Positioning is a game people play in today's me-too marketplace." The statement was made in context of his observation that a typical consumer is so overwhelmed with unwanted advertising that he tends to reject information that does not immediately find a comfortable, empty slot in his mind. However, what really pushed and propelled the concept was the bestseller book, 'Positioning – The Battle for Your Mind' by Jack Trout and Al Ries. They define positioning as "an organised system for finding a window in the mind .... based on the concept that communication can only take place at the right time and under the right circumstances." It is the sum of all activities that position the brand in the mind of the consumer, relative to its competition. One should keep in mind that positioning is not about creating something new or different, but to manipulate the mindset and to retie existing connections.

Philip Kotler defines positioning as "the act of designing the company's offer so that it occupies a distinct and valued place in the mind of the target customers." The objective of positioning is to place the brand into the minds of the customers. Without doing anything to the product, a successful positioning puts forward a value proposition that fits into the minds of the consumers. Kotler and Keller observe that positioning is the rational and persuasive reason to buy the brand in highly competitive target markets.

According to Bovee et al., positioning is the process of prompting buyers to form a particular mental impression of the product relative to the competitors.

Mellissa Davis in 'The Fundamentals of Branding' states that at the birth of the brand, the major focus is on clear positioning. A brand's position represents the brand's place in the market. According to her, the positioning will present a distinct proposition to the market that is in line with the brand's values and the needs and desires of the customer (p. 49)

Aaker states that brand position is a "part of brand identity and value proposition that is to be actively communicated to the target audience, and that demonstrates an advantage over competing brands."

From the above definitions, it can be concluded that positioning is:

- Occupying a slot (position) for the brand in the minds of the consumers through an organised system
- Forming a mental impression of the product
- Representing the brand's place in the market

Additionally, abstracted from 'Positioning: The Battle for Your Mind':

- Positioning is not what you do to the product. It is what you do to the prospect's mind to condition how he thinks about the product.
- It is not about creating something new and different, but about manipulating what's already in the mind.

- Positioning is what you do to 'get heard'.
- It is a tool to cope with information overload.
- It is a cumulative concept that requires consistency to be successful.

9.3 POSITIONING: MATTER OF THE MIND

A compilation of observations by Jack Trout and Al Ries leads us to the five mental elements in the positioning process that are critical in positioning the brand successfully in the minds of consumers:

Minds are limited
According to social scientists, our selective process has at least three rings of defence:(1) selective exposure, (2) selective attention and (3) selective retention. Learning is simply remembering what we are interested in. The mind accepts only (new) information which matches its current mindset; every mismatch will be filtered out and blocked.

Minds hate confusion
To avoid confusion emphasize simplicity and focus on the most obvious powerful attribute and position it well into the mind.

Minds are insecure
Minds tend to be emotional rather than rational. Often, people tend to follow others as a principle, social proof to guide the insecure mind in making decisions and reduce the risk of doing something wrong. Behavioural scientists say there are five forms of perceived risk: (1) monetary risk, (2) functional risk, (3) physical risk, (4) social risk and (5) psychological risk.

Minds don't change
According to Petty and Cacioppo (as quoted in Trout, 1995:35), "…beliefs are thought to provide the cognitive foundation of an attitude. In order to change an attitude, it is presumably necessary to modify the information on which that attitude rests. It is generally necessary, therefore, to change a person's belief, eliminate old beliefs, or introduce new beliefs." Once the market has made up its mind about a brand, it is impossible to change that mind. In general, the mind is sensitive to prior knowledge or experience. At

the end, it comes back to what the market is familiar and already comfortable with.

Minds can lose focus

Variations to the brand, such as line extensions, can leverage the distortion of minds. In short, the mind loses focus. To enforce the mindset, it is necessary to stay focussed and consistent on the key attributes of the brand.

9.4 POSITIONING STRATEGIES

The sole purpose of a positioning strategy is to ensure that the consumer has a clear idea of what the brand stands for in the product category. Colgate fights cavity, fights plaque, fights germs, fights odour and so on. However, it cannot stand for everything. There has to be one single point that makes Colgate stand out from the rest. Therefore, today Colgate is all about 'Protection'. Similarly, Mountain Dew is one among the many in the aerated drinks category. The talking points about this drink could be many: thirst quencher, energiser, cool attitude, etc. Had the brand to use all these talking points, none would register in the consumer's mind. However, today, Mountain Dew has occupied a slot in our minds – that victory cannot be achieved on the premise of fear.

In simple words, the brand cannot be everything to everyone. So what is that single thing? That's where a positioning strategy comes in.

Following are the various approaches to positioning strategy:

Positioning using customer benefit or product characteristics

This is a commonly used approach. Dettol talks about killing 99.9% germs, which is a strong benefit, especially in such a product category. Volvo harps on safety and durability through its visible demonstration of crash tests in its advertisements, highlighting on the benefit of safety. Pepsodent has always been consistent with its 'germ fighting toothpaste' position, which has been creatively translated into advertising campaigns such as, Dishum Dishum, Dental Insurance and Bhoot Police. All of the above and many more brands have focused on customer benefits in the positioning.

There are also many brands that work on their positioning on the premise of product characteristics. However, the said characteristic should be distinct and beneficial enough for the brand to occupy a strong position in the consumer's mind. While most toothbrush brands focused on the strength and durability of its bristles, one brand came out with a well-thought product characteristic – the angle of the brush. The concept of angular toothbrushes was soon introduced and it managed to create a strong position for itself.

Myers and Shocker have created a clear-cut distinction between physical characteristics, pseudo-physical characteristics, and benefits. All of these can be effectively used for positioning a brand. Physical characteristics are tangible and can be measured on some physical scale, such as temperature, colour intensity, sweetness, thickness, distance, dollars, acidity, etc. Pseudo-physical characteristics, such as spiciness, smoky taste, greasiness, etc. are properties that cannot be measured. Benefits refer to advantages that promote the well-being of the consumer.

Positioning by price and quality

In this age of price-wars, the price-quality product characteristic is of utmost importance. Many brands resort to create a slot on these two aspects. On the one hand, there are brands that deliberately attempt to offer more in terms of service, features, or performance, and thereby charge a higher price, partly to offset higher costs, and partly to communicate that they are of higher quality. On the other hand, there are brands that attempt to appeal on the basis of low price, and claim to be of quality that is comparable. For example, Zenith Computers talks about 'MNC quality. Indian Price.'

Positioning by use or application

Associating a product to its use or application is another approach to positioning. For example, Vicks has used the 'use or application' approach by communicating that when affected by cold, use Vicks. Dove Hair Fall Therapy focuses on its use in the case of hairfall. This type of positioning can also be used for market expansion. For instance, when the demand for cold creams falls in summer, brands try to bring up the case of how the cream can keep the skin healthy during summers.

Positioning by product user

Sachin Tendulkar writes. Amitabh Bachchan says there are no worms in a chocolate. Hema Malini stresses on the importance of pure water. All these personalities have been used to endorse different products. However, what's common among all these personalities is that they have been used to satisfy a positioning approach, called positioning by product user. The expectation is that these personalities will influence the product's image by reflecting the characteristics and image of the personality, communicated as a product user.

Positioning by product user does not necessarily warrant personalities or celebrities. Dairy Milk, for instance, has shown middle-aged characters enjoying their share of sweet moments. In this case, these middle-aged characters are portrayed as users, who reflect the image of those in the same age group.

Positioning by product class

It is necessary for some products to take important positioning decisions based on product-class associations. The major reason for such an approach is to tackle competitors within the category. The '7Up Uncola' campaign is a classic example. The idea was to create a slot in the consumer's mind that 7Up is not just another cola. The campaign signified the importance of changing the competitive space in a market of well established players, such as Coca-Cola. The message that 7Up send out was that now you can have a drink that is not a cola, it is different, and that it is proud to be different.

Positioning by cultural symbols

The use of deeply entrenched cultural symbols is also common when a brand wants to differentiate itself from the competition. While there were a couple of matrimonial websites in India, one stood out to define marriages, the Indian way. The name Shaadi (marriage) itself reflected the Indian culture and ethos, thus creating a space for shaadi.com in the minds of Indians. The brand logo, created from a typical Indian-looking font, along with the bindi on top furthered the website's prospects of becoming the most preferred site for Indians looking for a match.

Positioning by competitor

Almost all positioning strategies have either an implicit or explicit reference to the competition. Positioning with reference to a competitor can be an excellent way to build a position on product characteristics, price and quality. Secondly, positioning with reference to a competitor can be achieved by comparative advertising, in which the features and benefits of the brand are directly compared to that of the competing brand. One of the finest examples of such an approach is that taken by publications, especially newspapers and magazines. A typical Times of India vs. Hindustan Times advertisement will carry explicit comparisons in terms of circulation and readership.

9.5 ARRIVING AT THE POSITIONING

The big question: what should be the positioning strategy? This is the question that is topmost in the minds of all brand custodians. The reason that it is topmost is because finding the answer to it is difficult and complex. However, by following a few steps and backed by adequate research, arriving at the positioning can be easy, if not a cake walk.

Following are the six steps towards arriving at the positioning:

1. Spot the competitors
2. Decode how the competitors are perceived and evaluated
3. Assess the competitors' position
4. Analyse the customers
5. Pick the position
6. Monitor the position

1. Spot the competitors

It is not enough to assume and analyse. Make research the backbone of this exercise. Find out who are your primary and secondary competitors. Primary competitors are the ones belonging to the same class. Secondary competitors are those belonging to another product category, but more or less are close to – in form or function to the brand. For example, the primary competitors of Sprite are other carbonated drinks. The secondary competitors would include non-carbonated fruity drinks, real fruit drinks, health drinks, etc. It is also to be noted that there are some brands which may consider secondary competitors as primary, especially when the secondary competitor tries eating into the share of the brand. For example, when television news boomed, newspapers were threatened. In such cases, the newspapers will compete with news channels. Whatever be the case, there's no going further until we know, through thorough research, who are we competing with.

2. Decode how the competitors are perceived and evaluated

To begin with, choose an appropriate set of product attributes to compare with the competitor brand. Product attribute refers to product characteristics and benefits, as well as product associations, such as product uses and users. When generating this list of attributes, it is very important to identify potentially relevant attributes and delete redundancies. The Kelly Repertory Grid is one of the approaches for the generation of an attribute list. Once the list is generated, select the attributes that are most meaningful and important to the customer's image of the competitive objects. The attributes, thus, selected are considered to be relevant to the customer while making purchase decisions.

3. Assess the competitors' position

How are the competitors' products positioned with respect to the above-mentioned attributes? What image does the customer carry about the competitor? How are different competitors positioned with respect to each other? Which competitors are perceived to be different, and which similar? Multidimensional scaling research can be used to answer the above questions, as this scaling helps scale objects on several attributes. Multidimensional scaling can be based on both, attributable as well as non-attributable data.

4. Analyse the customers

It is time now to understand the habits and behaviour of the customers in the particular market segment. How is the market segmented? What is the role of the product in the customer's life? What are the preferences of the customer? Your positioning should specify which area in the perceptive map is to be tapped. However, in most cases, the fact is that there is a marked differentiation with reference to the area in the perceptual map customers prefer, even if their perceptions of the brands are similar. Therefore, it is ideal to identify and analyse segments or clusters of customers based on their preferred locations in the perceptual maps.

Jim Blythe, in his book ‘Principles and Practice of Marketing’ lists out the following key points with regard to segmentation:

- Segmentation is about dividing the whole market into groups of people with similar needs.
- The starting point for segmentation is good market research.
- Targeting implies choosing who not to do business with.
- The chosen target is not necessarily the most profitable: there could be strategic reasons for marketing to a particular segment.

5. Pick the position

Taking the positioning decision is the most critical after having thoroughly followed the above four steps. Keep the following in mind, while deciding on the position that you wish the brand to take:

- Be guided by analysis on all fronts – economical, competitive and consumer.
- Stay committed to the segment.
- Portray only what the brand truly stands for.
- Follow the four Cs of positioning – Clarity, Credibility, Consistency and Competitiveness.

6. Monitor the position

Once the positioning is decided, it is extremely crucial that it be monitored from time to time. A variety of techniques can be employed in brief intervals, such as test, interviews and questionnaires.

9.6 BENEFIT LADDERING

In a clutter of hundreds of soaps and colas and shampoos and electronics, is brand positioning only on the basis of attributes enough? Is it enough to just say that this soap has a special cleansing ingredient? If yes, well, there are many other soaps who can claim the same.

That is when benefit laddering came into the picture. Laddering refers to an in-depth, one-on-one interviewing technique used to develop and understand of how consumers translate the attributes of products into meaningful associations with respect to self, following Gutman's Means-End theory. Laddering involves a tailored interviewing format with the goal of determining sets of linkages between key perceptual elements across the range of attributes (A), consequences (C) and values (V). Laddering, as the term suggests, means going up the ladder.

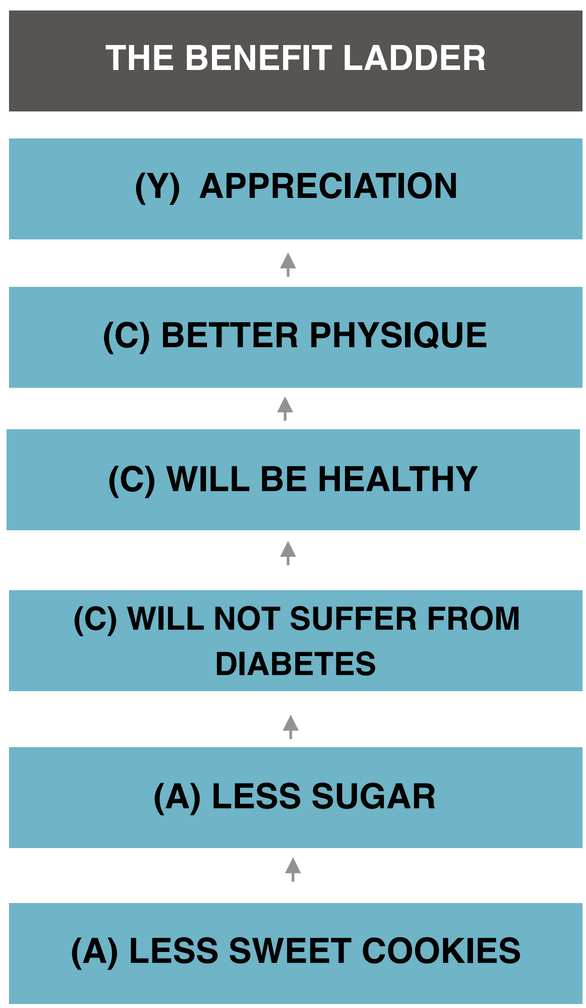

Fig. 9.1: Benefit laddering

Refer Figure 9.1 while going through following interview between X (Interviewer) and Y (Consumer) to understand the concept:

X: So, you like these cookies?
Y: Yes.
X: Why?
Y: Because it is not very sweet (A).
X: Why do you like something that is not very sweet?
Y: Because it has less sugar (A).
X: Why do you prefer cookies with less sugar?
Y: I will not suffer from diabetes (C).
X: Oh, well, that's fine. What else?
Y: I will be healthy (C).
X: Is that all?
Y: I will have a better physique (C).
X: How does that matter?
Y: I will be appreciated (V).

As per the above interview and the benefit ladder in Figure 9.1, the attributes (A) of the cookie that is less sweet and has less sugar, leads to the consequences (C) that 'Y' will not suffer from diabetes, and that he will be healthy with a better physique, leading to the value: appreciation.

Analysing laddering data

The laddering data can be analysed by following these steps:

- Summarise the key elements by standard content analysis procedures.
- Take care while analysing the levels of abstraction (ACV).
- Construct a summary table representing the number of connections between the elements.
- Represent dominant connections using a tree diagram, called Hierarchical Value Map – HVM (The HVM is a cognitive map which is structural in nature and represents the linkages or associations across levels of abstraction without reference to specific brands).

- Based on the consequences (C) and values (V), create an appropriate positioning.

9.7 REPOSITIONING

Repositioning, at times, is a part of brand progression. While there are many brands, such as Amul, which has not repositioned itself, post the Amul girl, there are quite a few who have because it had to happen. Titan has always stood for elegance, but later it promoted itself as the watch that can be the perfect gift for any occasion. Red Label tea, for that matter, shifted from 'Piyo to Jano' to 'Desh ka Pyaala' to '100% Strong' to 'Jiyo Mere Lal'.

The reasons for repositioning could be varied:

- Some brands reposition as they evolve. Maruti, for example, repositioned itself when it evolved from being the manufacturers of basic cars (Read Maruti 800), to becoming one with the largest range of cars in India.

- At times, repositioning happens when market growth occurs in a segment which is different from the one in which the respective brand is positioned. When soaps were merely soaps, one brand realised the importance of adding the value of moisturising to its positioning, only because it understood that the market for moisturisers was growing.

- Decline in sales also could be one of the reasons for repositioning.

9.8 SUMMARY

Positioning is about occupying a slot (position) for the brand in the minds of the consumers through an organised system. It is about forming a mental impression of the product. It represents the brand's place in the market. Positioning is not what you do to the product. It is what you do to the prospect's mind to condition how he thinks about the product. It is not about creating something new and different, but about manipulating what's already in the mind. Positioning is what you do to 'get heard'. It is a tool to cope with information overload. It is a cumulative concept that requires consistency to be successful.

The various approaches to positioning strategy include: (1) Positioning using customer benefit or product characteristics, (2) Positioning by price and quality, (3) Positioning by use or application, (4) Positioning by product user, (5) Positioning by product class, (6) Positioning by cultural symbols and (7) Positioning by competitor.

Following are the six steps towards arriving at the positioning: (1) Spot the competitors,(2) Decode how the competitors are perceived and evaluated, (3) Assess the competitors' position, (4) Analyse the customers, (5) Pick the position and (5) Monitor the position.

In a clutter of hundreds of soaps and colas and shampoos and electronics, is positioning a brand only on the basis of attributes enough? That is when benefit laddering came into the picture. Laddering refers to an in-depth, one-on-one interviewing technique used to develop and understanding of how consumers translate the attributes of products into meaningful associations with respect to self, following Gutman's Means-End theory. Laddering involves a tailored interviewing format with the goal of determining sets of linkages between key perceptual elements across the range of attributes (A), consequences (C) and values (V).

The laddering data can be analysed by following these steps:

- Summarise the key elements by standard content analysis procedures.
- Take care while analysing the levels of abstraction (ACV).
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- Represent dominant connections using a tree diagram, called Hierarchical Value Map – HVM (The HVM is a cognitive map which is structural in nature and represents the linkages or associations across levels of abstraction without reference to specific brands).
- Based on the consequences (C) and values (V), create an appropriate positioning.

Repositioning, at times, is a part of brand progression. The reasons for repositioning could be varied:

- Some brands reposition as they evolve.
- At times, repositioning happens when market growth occurs in a segment which is different from the one in which the respective brand is positioned.
- Decline in sales also could be one of the reasons for repositioning.

9.9 ACTIVITY

1. Taking into consideration all the factors that influence the process of positioning strategise a positioning for a brand of television called ‘View 360’.

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9.10 SELF ASSESSMENT QUESTIONS

1. What is positioning?

2. Describe positioning strategies.

3. How is positioning arrived at?

4. What is benefit laddering?

Multiple Choice Questions

1. The laddering data can be analysed by following ______________ steps.

   a. 2
   b. 8
   c. 5
   d. 0

2. Some brands reposition as they ______________________
   a. Become creative
   b. Grow old
   c. Evolve
   d. Need to

3. Which of the following statements are true?

    a. According to Jack Trout, "Positioning is a game people play in today's me-too marketplace."

    b. According to Jack Trout, "Branding is a game people play in today's me-too marketplace."

    c. According to Jack Trout, "Positioning is a game people play in today's marketplace."

    d. According to Keller, "Positioning is a game people play in today's me-too marketplace."

4. Which of the following statements are false?

    a. Zenith Computers talks about 'MNC quality. Indian Price.'

    b. Zenith Computers talks about 'Indian quality. MNC Price.'

    c. Zenith Computers talks about 'MNC quality. Global Price.'

    d. Zenith Computers talks about nothing.

Answers
1. (C), 2. (C), 3. (A), 4. (B, C, D)

9.11 RECOMMENDED READING

Book

- Principles and Practice of Marketing, by Jim Blythe.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 10

CULTURE AND BRAND: THE INTEGRATION

Objective

After completing this chapter, you will be able to understand:

- Brands in the context of culture.

Structure:

10.1 INTRODUCTION

Pizza is Italian. We all know that. This Italian food has quite easily blended into the Indian culture. Today, unlike a decade or two ago, most Indians know what a pizza is, thanks to all the food chains that have advertised pizza from the Indian perspective. Even if the advertisement showed foreigners having pizza in a swanky outlet, we would have known what a pizza is. However, would Indians really identify with it? That's the big question.

In the mid nineties, Tuff shoes decided to go bold. Their advertisement showed models, Madhu Sapre and Milind Soman, posing nude only with a python dangling between them. Statutory authorities took note of it and filed an obscenity case against all participants. Similarly, not too long ago, the moral police pulled up Levis for the campaign that featured several female models wearing nude-coloured clothes that gave the impression of them being topless. Another ad that did not go down well with one Minister of State for Cultural Affairs, was the Calida ad featuring actress Bipasha Basu in Calida undergarments with Dino Morea tugging at Bipasha's panty with his teeth. Obscenity in these advertisements is just the tip of the iceberg. However, if we delve deeper into these incidences, there is more.

Let's take the case of McDonald's. The brand entered India in 1996. Among the many issues it had to tackle, adapting to the tastes, preferences and culture of Indians seemed to be a challenge. Today, its profile (uploaded on www.mcdonaldsindia.com) clearly states, 'a locally owned company,' 'Local sourcing is key for truly Indian products,' and 'Respect for the Indian customs and culture.'

This chapter deals with the importance of integration of brand and culture.

10.2 UNDERSTANDING CULTURE

Culture, as a definition, say has evolved over a period of time. Matthew Arnolds, in Culture and Anarchy (1867), referred to culture as special intellectual or artistic endeavours or products. This definition is more closely related to aesthetics than to social sciences.

Pioneered by Edward Tylor in Primitive Culture (1870), culture referred to a quality possessed by all people in all social groups, who nevertheless could be arrayed on a development (evolutionary) continuum from "savagery" through "barbarism" to "civilization". According to him culture is "that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society." This became the foundational definition for anthropology.

From here began a series of debates and researches, the consequences of which is seen in the many definitions that have emerged over a period of time. Few of the relevant definitions have been compiled and reproduced here.

Definitions of Culture

'Culture consists of patterns, explicit and implicit, of and for behaviour acquired and transmitted by symbols, constituting the distinctive achievements of human groups, including their embodiment in artefacts; the essential core of culture consists of traditional (i.e. historically derived and selected) ideas and especially their attached values; culture systems may, on the one hand, be considered as products of action, on the other, as conditional elements of future action.'

Kroeber & Kluckhohn 1952: 181; cited by Adler 1997: 14

'Culture consists of the derivatives of experience, more or less organized, learned or created by the individuals of a population, including those images or encodements and their interpretations (meanings) transmitted from past generations, from contemporaries, or formed by individuals themselves.'

T. Schwartz 1992; cited by Avruch 1998: 17

'[Culture] is the collective programming of the mind which distinguishes the members of one group or category of people from another.'

Hofstede 1994: 5

'Culture is... the set of attitudes, values, beliefs, and behaviours shared by a group of people, but different for each individual, communicated from one generation to the next.'

Matsumoto 1996: 16

'Culture is a fuzzy set of basic assumptions and values, orientations to life, beliefs, policies, procedures and behavioural conventions that are shared by a group of people, and that influence (but do not determine) each member's behaviour and his/her interpretations of the 'meaning' of other people's behaviour.'

Spencer-Oatey 2008: 3

Source: Spencer-Oatey, H. (2012) *What is culture? A compilation of quotations.* GlobalPAD Core Concepts.

Based on the above definitions, Spencer-Oatey has compiled the characteristics of culture as follows:

1. Culture is manifested at different layers of depth

There are three fundamental levels at which culture manifests itself: observable artefacts, values, and basic underlying assumptions.

Observable artefacts include the habitat, the dress code, the way people interact and address each other, the smell and feel of the place, its emotional intensity, the rituals, and other phenomena.

Values govern behaviour and cannot be observed directly. This layer has to be explored by inferences drawn out of interaction with the people of the particular culture.

Underlying assumptions, which are typically unconscious, actually determine how group members perceive, think and feel.

2. Culture affects behaviour and interpretations of behaviour

Though certain aspects of culture are physically visible, their meaning is invisible. According to Hofstede, "their cultural meaning...lies precisely and only in the way these practices are interpreted by the insiders" of the group. For example, a closed fist can indicate victory in certain groups, while it may stand for a punch or blow for certain other groups. Similarly, choice of clothing can be interpreted in different ways by different groups. For example, women wearing bikinis on a beach would be considered obscene in Indian culture, and would be judged as inappropriate behaviour.

3. Culture can be differentiated from universal human nature and unique individual personality

Spencer states, "Culture is learned, not inherited. It derives from one's social environment, not from one's genes. Culture should be distinguished from human nature on one side, and from an individual's personality on the other, although exactly where the border lies between human nature and culture, and between culture and personality, is a matter of discussion among social scientists."

4. Culture influences biological processes

A lot of our conscious behaviour is acquired through learning and interacting with other members of our culture. This is also applicable for most of our biological processes. For example, unlike westerners, almost all Indians prefer eating with their hands. You would also see the difference in the way Indian toilets differ from the western ones; it is because Indian culture sees defecating as a process done while squatting. In a nutshell, even those responses to our purely biological needs are frequently influenced by our cultures.

5. Culture is associated with social groups

Culture is shared by at least two or more people. According to Ferraro, if a solitary individual thinks and behaves in a certain way, that thought or action is idiosyncratic, not cultural. For an idea, a thing, or a behaviour to be considered cultural, it must be shared by some type of social group or society.

6. Culture is both an individual and a social construct

Culture exists in each and every one of us, just as it exists globally. Individual differences in culture can be seen in individuals only to a degree to which they adopt and engage in the attitudes, values, beliefs, and behaviours that, by consensus, constitute their culture. If your actions are in consensus with the values and behaviours prescribed by the culture, then that culture resides in you. If not, you do not share that culture.

7. Delineation of a culture's features will always be fuzzy

Since culture is always socially and physiologically distributed in a group, it will always be difficult to describe the features of the culture. According to Spencer, group members are unlikely to share identical sets of attitudes, beliefs and so on, but rather show 'family resemblances', with the result that there is no absolute set of features that can distinguish definitively one cultural group from another.

8. Culture is learned

Culture is learned through our interactions with people. Spencer illustrates this with the fact that two babies born at exactly the same time in two parts of the globe respond to physical and social stimuli in very different ways. That is because both babies have learned to respond in the way they have observed others in the cultural group responding. Culture is also taught by the explanations people receive for the natural and human events around them.

9. Culture is subject to gradual change

There is no culture that remains completely static over years. Early anthropologists had suggested that some societies are in a state of equilibrium in which the forces of change were negated by those of cultural conservatism. However, this is not the case any more. Every culture undergoes change, though it may be gradual.

10.Various parts of culture are all, to some degree, interrelated

Culture is integrated in the sense that its components are more than a random assortment of customs. It is an organised system in which particular components may be related to other components.

10.3 BRANDS IN THE CULTURAL DOMAIN

Let us begin with the fact that brands serve individuals as symbolic reflections of their extended self-image, social status and culture. Cultural values play an important role in consumers' defining their social and self-identity, whereas brands serve as a means of declaring it. According to Keller, failure to take cultural divergence into account when developing and communicating branding strategies has been a cause of many brands' underperformance.

A strong brand is one that integrates its cultural origins and values with the cultural values of the countries where it operates in, thus building relationships based on trust with the local consumers. Coca-Cola has its origins in the US, and therefore much of its cultural values are rooted in the American way of life. However, when it had to reach out to other parts of the world, it attempted integrating with the cultural values of the countries in which it was making its presence felt.

In terms of financial aspects, too, when it is the question of gaining market share in a new country, the management has to take challenging decisions on allowing enough regional flexibility on how the brand is marketed according to the cultural characteristics of the potential local market.

It is not always so easy to keep the values of the brand unchanged when the brand is venturing into new markets. According to BrandZ ranking of global brands, the top slots are occupied by technology companies Google, Apple, IBM and Microsoft, as examples of global companies offering the same products and services everywhere. On the other hand, the next slots are occupied by McDonald's and Coca-Cola for having adapted local values and taste. For example, McDonald's is reputed for adapting its menu to the tastes of the particular country it operates in.

These cultural adaptations of products and services to local markets make the brand more desirable, as it is in synch with the local culture. While doing so, these global brands also maintain their vision and mission, by which these brands create an identity with relation to their customers. This turns out to give the brand a competitive edge.

The fact is that locally effective global branding always takes into consideration the traditions and customs of the local people, and tries adapting them to the values of the brand implemented in the home country or in other countries.

10.4 CULTURAL IDENTITY AND MODERNISM

Ashok is an Indian. He is a staunch supporter of Indian culture and values. He preaches patriotism. He attends every second rally that decries the invasion of foreign culture. He is also an astute political observer who has an opinion on the way politics function in his country.

However, when it comes to his brand choices, he has strong preference for foreign brands. He prefers signing with a Pierre Cardin. He is an ardent fan of Bentley products. A morning jog for him is no jog at all without a Reebok. Ask him why this two extreme approaches in his thinking/ attitude and his choice of brands, and he will have enough reasons to justify it.

Brands, at times are embraced by consumers as a means of declaring a much desired belongingness to the modern world. Lewis observes that most customers in developing nations want a mix of domestic and Western brands and that they recognise that the west still represents quality, status, security and success, but at the same time they are keen to manifest their nations' recent achievements and egalitarianism by becoming more individuality-oriented in developing their brand perceptions.

This was also the case in the emerging markets of Eastern Europe and Russia. During the early stages of economic growth in this region, Western brands were embraced by consumers because they wanted to express their belongingness to the modern world. In the paper, titled 'Conceptualising consumers' cultural and social self-concept: the mediating effects of national acculturation' presented at the 2008 Academy of Marketing Annual Conference, Aberdeen, UK, Kipnis and Broderick observe: "The success of domestic brands with a Western image (like Wimm-Bill-Dann dairy and drinks in Russia) as well as the popularity of local brands built by multinational companies (Omnia coffee introduced by Douwe Egberts in Hungary) are examples of consumers in Eastern Europe taking a step beyond evaluating brands based on their "Westernness" or "non-Westernness" and responding to other intangible brand components."

While the above discussion points out at the feeling of modernism and perceived quality in Western brands, there is also something termed as 'Acculturation'. Lewis quotes Friedman's observation that "Western ideas and products have been very widely and unconsciously adopted by young people in over the last decade and defined the consumer culture for the population as a whole."

Acculturation, as defined by Cheung-Blunden and Juang is a "phenomenon of the value, attitudinal and behavioural changes of individuals who come into contact with another culture."

The conceptual models used to model the phenomenon of acculturation are: (1) The Uni-dimensional or the Assimilation Model and, (2) The Bi-dimensional Model.

Assimilation model speculates that once the individual acquires a host culture's traits and values, he/she correspondingly lose his/ her original (or home) cultural identity.

On the contrary, the bi-dimensional model allows individuals to identify with more than one culture. Subsequently, consumer acculturation is a subset of acculturation, and focuses on how individuals derive knowledge and behaviours that are pursued by different consumer cultures.

10.5 CONSUMER BEHAVIOUR AND CULTURAL FACETS

This refers to cultural facets of social identity and how they define consumer behaviour. Reed (2002) applied the psychological theory of social identity to consumer behaviour. According to him, social identification is a process of psychological connection with an individual or group. Consumers attempt maintaining a positive self-image by identifying themselves with the group they would like to be associated with by sharing values, beliefs, lifestyle, etc., and expressing themselves through symbolic benefits offered by brands.

Hofstede proposed the national cultural framework and Schwartz proposed the values framework. Both these frameworks have been widely used to define dimensions of cultural variations within societies. Steenkamp, after identifying some overlaps between the frameworks proposed a unified approach to national cultural. According to him, culture can be conceptualised at a national level if only there is a meaningful degree of historical, political, linguistic, social and other similarities However, the national level is not the only level in which consumer culture and behaviour can be operationalised. Schwartz and Ros (1995) argue that levels of culture should be derived from the research and analysis of motives that cultural groups pursue while justifying their behaviour. While national culture frameworks identify and describe cultural variances from a broader perspective, they ignore differences between individuals and the extent of cultural contamination occurring in different cultural groups. Cultural diversity exists even within cultures, and the intangible aspects such as values, beliefs and artefacts pursued by individuals formulate their in-group and individual self-concept.

The driving point through all these discussions is that consumer behaviour is influenced by the national culture, cultural diversity within cultures, and also individual perceptions of culture. Both, self-identity and social identity, in a way are strong influences on how consumers behave toward a particular brand, and choose to buy the brand.

10.6 ADAPTING TO CULTURAL CHARACTERISTICS IN LOCAL MARKETS

Taking into consideration that cultural and social aspects of a market influence the needs of the customer, it is important that brands adapt to cultural characteristics of local markets.

Identify the target customer

It is necessary for brand custodians to identify the target customer they address to in each country and formulate marketing strategies accordingly. For example, a reputed apparel brand, such as Zara, knows well how to blend with the culture of different countries that it operates in. In Western Europe the brand promotes a casual look at affordable prices, while in Eastern Europe it promotes a fashion look with high-end products and bigger prices. Whereas, for Arabic countries, it exports pieces that cover enough so that it appeals to Muslim women.

Target same customer niche but adapt to local values

Many companies have targeted the same customer niche but have made it a point to adapt to local values. Let's take the example of Nike. The brand sells the same quality of sport products all over the world. However, there is a difference in terms of colours and style in each region. In European countries they promote the white and black shoes, where as in Asia the dominant colours are red, blue and pink. Keeping the 'Just Do It' anthem alive, the brand chooses to differentiate itself by using brand ambassadors that are reputed in the particular region.

Employ the power of power distance

Brand image is affected in international markets by two characteristics: national culture and socioeconomic situation. According to R.D. Lewis (2000) and Hofstede et al., the culture of a country influences the customer behavior and the speed of the acquisition-decision of goods. They studied how cultural values can impact on the brands success, identifying the power distance concept and the individualist-collectivist cultural aspect of consumer needs. The power distance criteria refer to the way a culture accepts inequality, dividing cultures into two types, egalitarian and hierarchical. When deciding to enter a new market, managers should analyze if their brand is more suitable for egalitarian or hierarchical culture type. Power distance affects brand strategies as high-end brands are successful generally in cultures with high power distance, while low-cost brands and affordable brands, offering a good quality at a fair price, are most likely to be profitable in low power distance cultures.

Enter with low uncertainty avoidance culture

In general, consumers search in a brand the promise of a quality product, thus trying to reduce the risk when purchasing that product. From this point of view, high uncertainty avoidance cultures will be most likely to be a good market for global brands, as they offer a trustable product. Low uncertainty avoidance cultures on the other hand, are more open to new players in the market and are willing to try their products, even if they don't come with the guarantee of a strong brand image. So, brand managers are recommended to enter new markets with low uncertainty avoidance cultures if they offer innovative products and their brand name is not so strong yet, because in high uncertainty avoidance cultures there is a big risk of business failure.

Identify whether it is collectivist or individualist

Collectivist cultures value the group more than the individual, while individualist culture encourages individual achievements. High individualist cultures fit best original brands that offer limited editions, as individuals want to be different than the rest and get the attention, while high collectivist cultures are most suitable for global brands that offer individuals the possibility of affiliation, of belonging to a group.

10.7 SUMMARY

This chapter deals with the importance of integration of brand and culture.

Pioneered by Edward Tylor in Primitive Culture (1870), culture referred to a quality possessed by all people in all social groups, who nevertheless could be arrayed on a development (evolutionary) continuum from “savagery” through “barbarism” to “civilization”. According to him culture is “that complex whole which includes knowledge, belief, art, morals, law, custom, and any other capabilities and habits acquired by man as a member of society.” This became the foundational definition for anthropology.

Spencer-Oatey has compiled the characteristics of culture as follows:

1. Culture is manifested at different layers of depth

2. Culture affects behaviour and interpretations of behaviour

3. Culture can be differentiated from universal human nature and unique individual personality

4. Culture influences biological processes

5. Culture is associated with social groups

6. Culture is both an individual and a social construct

7. Delineation of a culture’s features will always be fuzzy

8. Culture is learned

9. Culture is subject to gradual change

10. Various parts of culture are all, to some degree, interrelated

A strong brand is one that integrates its cultural origins and values with the cultural values of the countries where it operates, thus building relationships based on trust with the local consumers.

In terms of financial aspects, too, when it is the question of gaining market share in a new country, the management has to take challenging decisions on allowing enough regional flexibility on how the brand is marketed according to the cultural characteristics of the potential local market.

Brands, at times are embraced by consumers as a means of declaring a much desired belongingness to the modern world. Lewis observes that most customers in developing nations want a mix of domestic and Western brands and that they recognise that the west still represents quality, status, security and success, but at the same time they are keen to manifest their nations' recent achievements and egalitarianism by becoming more individuality-oriented in developing their brand perceptions.

Consumer behaviour is influenced by the national culture, cultural diversity within cultures, and also individual perceptions of culture. Both, self-identity and social identity, in a way are strong influences on how consumers behave toward a particular brand, and choose to buy the brand.

Taking into consideration that cultural and social aspects of a market influence the needs of the customer, it is important that brands adapt to cultural characteristics of local markets.

10.8 ACTIVITY

1. Trace the entry of McDonald's in India from the cultural perspective.

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10.9 SELF ASSESSMENT QUESTIONS

1. Define culture and explain its characteristics.

2. Explain cultural identity and modernism in the context of brands.

3. Explain adaptation of cultural characteristics in local markets.

Multiple Choice Questions

1. Culture is manifested at different layers of _________.

    a. Length
    b. Depth
    c. Breadth
    d. Values

2. A strong brand is one that integrates its _________ origins and values with the cultural values of the countries where it operates.

    a. Cultural
    b. packaging
    c. Value
    d. Advertising

3. Which of the following statements are true:

    a. During the early stages of branding growth in this region, Western brands were embraced by consumers because they wanted to express their belongingness to the modern world.

    b. During the early stages of economic growth in this region, Western brands were embraced by consumers because they wanted to express their belongingness to the modern world.

    c. During the early stages of economic growth in this region, Western brands were embraced by consumers because they wanted to express their love to the modern world.

d. During the early stages of economic growth in this region, Western brands were embraced by consumers because they wanted to embrace it.

4. Which of the following statements are false:

   a. Daniel proposed the national cultural framework.
   b. Jones proposed the advertising framework.
   c. Hofstede proposed the national cultural framework.
   d. Schwartz proposed the values framework behaviour.

Answers
1. (B), 2. (A), 3. (A), 4. (A,B)

10.10 RECOMMENDED READING

Book
- Brand Culture, by Jonathan E. Schroeder

Paper
- 'Integrating Country Specific Culture In The Branding Strategy For Building Global Success' – SEA-Practical Application of Science, Volume II, Issue 3 (5)/ 2014.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

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Video Lecture

Chapter 11

BRAND EXTENSIONS

Objective

After completing this chapter, you will be able to understand:

❖ The concept of brand extensions.

Structure:

11.1 Introduction

11.2 Brand Extensions

11.3 Types of Extensions

11.4 Advantages and Disadvantages of Brand Extensions

11.5 Summary

11.6 Activity

11.7 Self Assessment Questions

11.8 Recommended Reading

11.1 INTRODUCTION

We often see products of the same brand in different forms. They seem like different versions of the same product. For instance, you may find a brand of cold drink in a glass bottle and the same in a pouch, or a two-litre plastic bottle. Much like this, you may have also witnessed a leading brand of clothing extending its name to cover toiletries, or for that matter, even accessories. What is this all about? Why is this done? What are the benefits? This chapter will cover all these aspects.

11.2 BRAND EXTENSION

According to Keller, in the nineties, 81 per cent of new products used brand extensions to create sales. Launching a totally fresh, new brand has its implications on time, cost, and other resources. At times it is neither a viable nor practical proposition. Under such circumstances, brand extension works. It is a strategy that can reduce financial risk by using the parent brand name to enhance consumers' perception due to the core brand equity.

When an existing brand name is extended to a product of a different category, it is called brand extension. Dettol has always been associated with an antiseptic liquid. However, today we have Dettol soap, Dettol hand sanitizer, Dettol multi-use hygiene liquid. Similarly, we have Dove Bathing Soap, Dove Shampoo, Dove Cream. These are all brand extensions, wherein the brand name has been extended to a different product category, such as a soap, shampoo and cream, in the case of Dove. Today we may have a brand that has equity in health drinks. This brand may harness its equity to use its brand name and other brand elements to introduce a health biscuit or health chocolates.

The brand extension route definitely saves costs, as the common brand name, along with all other brand elements, benefits all products falling under it. The concept focuses on leveraging the equity of the existing brand and entering a segment that is considered profitable, while limiting the incremental costs only to production, packaging and distribution. Imagine the kind of money that goes into promoting a brand. From developing a campaign with the support of an advertising agency, to launching it on television, in print and online, coupled with other below-the-line collaterals and activities, the cost is definitely high. Brand extension is one way of saving these costs, if not to a great extent, at least marginally.

According to Jean Noel-Kapferer, brand extensions occur when "firms enter markets they had not previously been present under the name of one of their existing brands."

However, it is to be noted that in the process of extension, the extended product qualities should not go against the consumer perception of the original brand name. Can you think of a Dettol beauty soap? Perhaps, no one can even imagine it, because the perception of Dettol is that of an antiseptic soap. It has a 'hygiene' perception, rather than beauty. The fact is, Dettol has tried extending to beauty soap, but success is yet to be seen.

Ries and Trout, however do not favour brand extensions when the company tries to be all things to all people. This shows that they lack in confidence when it comes to building a brand from scratch. According to them brand extensions are never leaders in the US in any product category, except the Diet Cola segment.

11.3 TYPES OF EXTENSIONS

Chunawalla classifies extensions into three types: product-related or line extensions, image related extensions and unrelated extensions.

Line extensions: When a brand is extended to the same product category, it is called line extension. The line extension has two constants – the brand and the product category. Line extensions can cater to different segments in the market. A wide variety of products can be introduced under the same umbrella brand name to cater to the differing needs of the consumers. Line extensions are generally used by companies to upgrade their customers.

Image-related extensions: These extensions should have a match between the parent brand and the extended brand in terms of image. Image-related extension can happen with the brand as well as the product. For example, Colgate Toothpaste, as a brand, through image-related extension comes up with Colgate Toothbrushes. Similarly, in the case of a product, a Prestige cooker and Prestige pressure pan can be considered as image related extensions.

Unrelated extensions: The match-making principle is also applicable here. Unrelated extensions at times happen along the way, as an organisation evolves. Chunawalla gives the example of Tata that started from steel and textiles but extended to diverse areas such as power, cosmetics, medicine, automobiles, telecommunication, consumer electronics, computer consultancy and software, etc.

Some of the key talking points of brand extensions, as expressed by S. A. Chunawalla are:

- Brand extensions bring about brand distinctions based on attributes. For instance, a hair oil brand can be extended to shampoo, based on the hair care premise.

- Brands can also be extended to a totally unrelated category. For example, the prestige associated with a fashion/clothing brand can be used to extend the brand to cover perfumes.

- A brand can be extended to meet the diverse needs of a specific target audience. For example, there can be a brand that uses its name for all products related to baby care – shampoo, soap, massage oil and baby cream.

- Brand extension can be based on the distinctive competence of the company. For example Honda is into two-wheelers, four-wheelers and gensets, too.

- Brand extension can be based on distinctive tastes, components or ingredients. Cadbury, here, is the best example.

- Brand extensions can be established on the premise of strong attributes or performance characteristics. Amul's image of offering pure milk can be extended to cover milk products, such as cheese and butter.

- Brand extensions can also be based on the benefit association. For example, Vaseline which offers the benefit of moisturisation can extend its brand to a product that focuses on cold cracks.

- The extension can also be established on consumer attitude or belief. For example, Nike represents an attitude that one has to push oneself beyond the limit, and thus, it transfers this attitude in its range of sports shoes, sports bags, casual wear and watches.

- Brands can also be extended on the basis of the brand essence which, in a way represents its core. For example, Dunhill is not only into cigarettes, but also lighters, jewellery, watches, writing instruments, etc.

11.4 ADVANTAGES AND DISADVANTAGES OF EXTENSIONS

Brand extensions may be successful or unsuccessful. Which means, while there may be several advantages in the concept, there are pitfalls, too.

Wipro is a good example of brand extension that has really worked to its advantage. Wipro, originally into information technology, extended its brand to cover a wide range of products, including shampoos, soaps, talcum powder, baby diapers, etc.

On the other hand, Rasna's Oranjolt failed miserably. Rasna was never into fizzy drinks. However, when it experimented with a fizzy fruit drink, Oranjolt, the brand bombed even before it could take off. Apart from the fact that Oranjolt failed to match up with the personality of Rasna, it did not work out also because of product issues. The product had to be refrigerated, and had a shelf life of three to four weeks, while other soft drinks had a greater shelf life.

Advantages of Brand Extensions

Eases acceptance of new products, because:

- It strengthens brand image.
- It reduces the risk perceived by the consumer.
- It increases the likelihood of gaining distribution and trial.
- It increases efficiency of promotional expenditure.
- It saves cost of developing a new brand.
- It offers variety to consumers.
- It increases efficiency of packaging and labelling.
- It reduces expense of introductory and follow-up marketing programmes.

Brand extensions also offer feedback benefits to the parent brand and organisation:

- It enhances the image of the parent brand.
- It revives the brand.
- It facilitates subsequent extension.
- It clarifies brand meaning.
- It increases market coverage by bringing new customers into the brand franchise.
- It increases quality associations.

Disadvantages of Brand Extensions

- **Loss of reliability:** If a brand name is extended too far in unrelated markets, there are great chances of loss of reliability.

- **Image damage:** In the case of the new product failing in any or all aspects, it may have negative implications on the core/ parent brand.

- **Less awareness:** Some companies assume that the spin-off effect from the original brand will help the extension push up the ladder. In such a case the management does not provide enough investment for introducing the product, which may only create less or marginal awareness, and may not initiate trials.

- **Competition:** The chances of an extension failing are high when the brand does not have an advantage over competitive brands in the new category.

11.5 SUMMARY

When an existing brand is extended to a product of different category, it is called brand extension. Extensions can be of three types: product-related or line extensions, image related extensions and unrelated extensions.

When a brand is extended to the same product category, it is called line extension. Image related extensions should have a match between the parent brand and the extended brand in terms of image. Unrelated extensions at times happen along the way, as an organisation evolves.

There are advantages as well as disadvantages of brand extensions. Therefore, an organisation should take utmost precaution and have a foolproof strategy when it plans a brand extension.

11.6 ACTIVITY

1. Trace the brand extension of Tata.

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11.7 SELF ASSESSMENT QUESTIONS

1. Explain brand extension with suitable examples.

2. What are the different types of extensions?

3. Describe the advantages and disadvantages of brand extensions.

Multiple Choice Questions

1. When an existing brand name is extended to a product of a different category, it is called _________

   a. Brand Relationships
   b. Brand Extension
   c. Brand Building
   d. Brand

2. ___________ do not favour brand extensions when the company tries to be all things to all people.

   a. Melbourne and Santa
   b. Fournier and Aaker
   c. Ries and Trout
   d. Aaker and Keller

3. Which of the following statements are true:

   a. When a brand is extended to the same product category, it is called line extension.

   b. When a brand is extended to another product category, it is called line extension.

   c. When a brand is extended to varying product categories, it is called line extension.

   d. When a product is extended to the same brand category, it is called line extension.

Answers

1. (B), 2. (C), 3. (A)

11.8 RECOMMENDED READING

Book

- Brand Portfolio Strategy, by David A. Aaker.

Website

- https://www.prophet.com/blog/aakeronbrands/83-ten-routes-to-a-successful-brand-extension

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

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Video Lecture

Chapter 12

BRAND ENVIRONMENT

Objective

After completing this chapter, you will be able to understand:

❖ The internal and selling environment of brands.

Structure:

12.1 Introduction

12.2 Internal Brand Environment

12.3 Selling Environment

12.4 Summary

12.5 Activity

12.6 Self Assessment Questions

12.7 Recommended Reading

12.1 INTRODUCTION

Brands exist in a reality environment. They exist internally, within the organisation that manufactures and markets them. They also exist in their respective selling environment. Both, the internal and selling environments together are responsible for a brand's success and for its losses as well. Therefore, it is necessary that a perfect balance is struck between both these environments.

12.2 INTERNAL BRAND ENVIRONMENT

It is important for employees of the organisation manufacturing and marketing the respective brands to know the brand inside out. They should know what the brand stands for, the objectives of the brand, the positioning and at least a broad outline of the strategy adopted to market the brand. Together with a fair understanding of the brand, the employees also should feel motivated about the brand and have confidence in it.

Nicole Alvino, in the article 'Engage Your Employees Or Lose Millions', published in Forbes, stresses that "what makes engaged employees different is that they are knowledgeable about their company's mission, and they tell the world what they and the company is up to. These are the employees who are writing blog posts, sharing on social media, volunteering for job fairs and advocating for their brand in the digital and physical world." The article further discusses statistics of The State of the Global Workplace Survey that has found that organisations with an average of 9.3 engaged employees for every actively disengaged employee in 2010-2011 experienced 147% higher earnings per share (EPS) compared with their competition in 2011-2012.

Many companies devise various ways to motivate their employees and disseminate information about the brand, which include all or few of the below-mentioned methods:

1. Internal brand launch

Before the brand can be launched to consumers, most organisations launch it internally for its employees. An internal brand launch can be a lavish event, or a simple launch activity, depending on the budgets and of course, the importance that an organisation gives to brand understanding among employees. Most internal brand launch events are based on a theme, which may or may not run parallel to the brand attributes. For example, the theme for the internal launch of a brand of air-conditioners could be 'Chill & Chatter', wherein the entire venue is given a snow-clad look, decked up with igloos, reindeers and sledges. Such themes bring life into the event, make it exciting and interactive.

A typical internal brand launch itinerary could comprise of sessions on brand understanding, brand communication, brand detailing, followed by unveiling of the brand and its components (logo, name, imagery, etc.). The launch of the brand could also be combined with the launch of the promotional material (ad films, print campaign, points-of-purchase promotional material, etc.). The internal launch not only helps in giving employees information about the brand, but also motivates them.

2. Brand refresher sessions

These are periodical sessions after the brand is launched. These sessions are organised either quarterly or half yearly, or annually, depending on the level of interaction between employees and the brand the organisation desires to achieve. These refresher sessions may not necessarily focus only on the features of the brand. Rather, the focus would largely be on how the brand has performed, current sales figures, targets achieved, targets for the next quarter or year, etc. Most pharmaceutical organisations have a quarterly evaluation, wherein the communication and strategy for the next quarter is planned. Brand refresher sessions help employees know the current position of the brand and evaluate future prospects.

3. Strategy meets

Strategy meets are generally organised for the key business drivers of the organisation. These meets are largely focused on the marketing and sales division of the company. Brand progress is evaluated and suitable strategies are adopted or realigned to push the brand further. These meets also focus on evaluating how much the strategy has helped the brand.

There are also cases when a strategy meet has been summoned to scrap off the current strategy completely and devise a new one.

4. Internal promotional activities
Employees feel special about their association with the company when internal promotional activities are organised for them. These promotional activities could include special discounts or schemes, over and above the benefits offered to consumers. One most common instance of internal promotional activities is the special interest rates on certain banking products, offered only to employees working for the particular bank.

5. Internal communication
Internal communication updates employees about the brand and its current status in the market. Most of such communication is also interactive, where employees are free to offer their suggestions and opinions in favour of the concerned brands. Internal communication could be in the form of emailers, micro sites, online banners, coupled with communication in print (posters, panels, pamphlets/ leaflets, newsletters, etc.)

These are only few of the activities centred at engaging and involving employees with the brand. Many organisations have a tremendous mix of activities, which are integrated into a campaign which may last even as long as a year.

12.3 SELLING ENVIRONMENT

The selling environment has undergone a rapid change in the last few years. New products and imports, saturated markets, emergence of newer trends, automation and increased output potential, emerging technology, together, have made selling extremely critical. There was a time when selling brands physically was restricted to retail outlets. Today, brands try to catch a space in almost any and all outlets. In short, the selling environment has undergone and is undergoing shifts – which are either gradual or instant. Not surprising, companies and marketers are focusing on enriching the selling environment.

❖ The unorganised retail outlet environment

The age-old retail outlet is no more just another shop. It has rather gradually transitioning to be a boutique. Apart from the fact that retailers lay stress on grooming their outlets, brands too have joined in to support retailers in the spruce up. For instance, there are brands which undertake the 'appearance management' of retail outlets in return for branding space within the space. It is a known fact in India that almost all cigarette outlets have almost been 'taken over' by cigarette companies in a bid to dominate the branding space within these tiny outlets; it is not surprising to find a cigarette shop flashing the golden colour of Gold Flake, or the blood-red of Classic Mild.

❖ Organised retail environment

Of the 14 million retail outlets that operate in India, only 4% of them are larger than 500 sq. ft. A 2011 report estimates that the Indian retail market generates sales of about $470 billion annually, of which a minuscule $27 billion comes from organised retail such as supermarkets and chain stores with centralised operations and shops in malls. Despite the sorry figure, organised retail is stressing on creating experiences.

The organised retail environment comprises of supermarkets, malls and chain stores. These outlets focus on delivering experiences to consumers. For instance, the supermarket giant, Big Bazaar, offers consumers a beautiful experience through its spaciousness, assorted categories of products, ease of finding brands, and the fact that the consumer has everything under one roof. It is the same with brands such as D-Mart and others in the same category.

Malls offer an exclusive experience. Apart from having an array of outlets (clothing, food, electronics, jewellery, footwear, cosmetics, etc.) under one roof, the experience of a mall focuses on the feel-good factor.

❖ Exclusive outlet environment

Brands such as Lakme, Gucci, Armani, Cross, Pierre Cardin, Guess, etc. are strong believers of the concept of exclusivity. They, therefore, prefer having exclusive outlets. These outlets may be individual outlets in targeted locations, or they may be a part of a larger format, such as malls.

- **Multilevel selling/ Network marketing environment**

The multilevel marketing bug that bit India a few years ago is only going stronger, year by year. Some call it exploitation of relationships, while others simply prefer considering it as yet another business model. Popularised by Amway in the 1950s, network marketing pays a commission not only for direct sales made by the salesperson, but also from the sales made by the recruits referred through him. Network marketing explores sales potential within the network of the salesperson. Amway India, Avon, Tupperware, Oriflame, Modicare, Hindustan Lever Network are some of the major network marketing players in India. The downside of network marketing is that many consumers view salespersons as being intrusive and exploitative. Studies carried out by Peterson et al., (1989), Raymond and Tanner (1994), and Kustin and Jones (1995), have revealed that consumers often have a negative perception about direct selling organisations and network marketing organisations. This negative perception is rooted in the belief that these organisations use aggressive selling techniques, exaggerate facts in recruiting and are muddled in scams. Koehn (2001) has dubbed MLM schemes as unethical and guilty of 'instrumentalising' relations rooted in love and affection.

- **Online selling environment**

According to a study by Google India and TNS, online shopping in India saw 127% growth in the period 2011-12, compared to only 40% growth the previous year. The study also rated searched categories: consumer electronics 34%, apparels and accessories 30%, books 15%, beauty and personal care 10%, home and furnishings 6%, health care 3%, and baby products 2%. The White Paper on India Retail Trends 2014, brought out by Tata Business Support Services observes: "We are a price conscious nation, and online retailers continue raining promotional prices in the market, offering a significant boost to e-tailing in consumer durable sector. Options like cash on delivery and manufacturers' warranty add fuel to this rage."

Snapdeal, Flipkart, eBay, Homeshop18, Jabong, Amazon, Paytm, Myntra, and Shopclues are some of the leading online shopping portals in India.

The online selling environment is dependent on the consumer experience, online as well as offline. The online factors include navigational convenience (ease of navigating through the website), search convenience (ease of searching for products) and imagery of the website (the layout, including colours and images). The offline factors include prompt service, timely delivery, and payment options such as online payment and cash-on-delivery option.

12.4 SUMMARY

Brands exist internally, within the organisation that manufactures and markets them, as well as in their selling environment. The internal brand environment is made up of the employees of the organisation that manufactures and markets the brand. It is important for employees of the organisation manufacturing and marketing the respective brands to know the brand inside out. They should know what the brand stands for, the objectives of the brand, the positioning and at least a broad outline of the strategy adopted to market the brand. Together with a fair understanding of the brand, the employees also should feel motivated about the brand and have confidence in it. The selling environment has undergone a rapid change in the last few years. New products and imports, saturated markets, emergence of newer trends, automation and increased output potential, emerging technology, together, have made selling extremely critical. There was a time when selling brands physically was restricted to retail outlets. Today, brands try to catch a space in almost any and all outlets. In short, the selling environment has undergone and is undergoing shifts – which are either gradual or instant. Not surprising, companies and marketers are focusing on enriching the selling environment.

12.5 ACTIVITY

1. Evaluate the online selling strategy of any of the leading online shopping portal.

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12.6 SELF ASSESSMENT QUESTIONS

1. Explain internal brand environment.

2. Discuss selling environment.

3. Discuss in detail the organised retail environment.

Multiple Choice Questions

1. The organisations with an average of 9.3 engaged employees for every actively disengaged employee in 2010-2011 experienced ________ higher earnings per share

   a. 201%
   b. 147%
   c. 27%
   d. 9.3%

2. Of the 14 million retail outlets that operate in India, only _______of them are larger than 500 sq. Ft.

   a. 7%
   b. 1%
   c. 10%
   d. 4%

3. Which of the following statements are true:

   a. Employees should know what the brand stands for.
   b. They should understand the brand inside out.
   c. Employees should also know all the trade secrets related to the brand.
   d. They should work towards selling the brand to their friends and relatives.

4. Which of the following statements are false:

   a. The age-old retail outlet is no more just another shop.
   b. It is a mall.
   c. Some consider multilevel marketing as exploitation of relationships.
   d. For them it means selling to immediate family members.

Answers

1. (B), 2. (D), 3. (A, B), 4. (B, D)

12.7 RECOMMENDED READING

Book

- Brand Society – How Brands Transform Management and Lifestyle, by Martin Kornberger.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

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Video Lecture

Chapter 13

TYPES OF BRANDS

Objective

After completing this chapter, you will be able to understand:

- How brands are classified.

Structure:

13.1 INTRODUCTION

We daily come across a spectrum of brands in different categories. Be it clothing or food, toys or stationery, we have a wide range before us. Most consumers may not be aware that these brands are segmented in many ways. Today there may be hundreds of such brand types, if we go into each and every product category and sub-categories. However, for the purpose of understanding we shall study in this chapter the broad categories of brands.

13.2 TYPES OF BRANDS

There are many types of brands. At the bottom of the hierarchy is the store brand, or the private label, followed by regional, national and global brands. Among these too, there are brands that are segmented on the basis of their distribution strategy, such as e-brands. There are also brands that are segmented on the basis of their personality, experience, etc.

In between the regional, national and global, there are brands that gradually move up the orbit. For instance, a regional brand can, within a period of time strategise to go national or global. The transition from one type to another takes time and it happens in phases, and involves costs and other resources. It is rare for a regional brand to suddenly go global by bypassing the national phase.

13.2.1 Regional brands

India is home to many regional brands. These brands are unique to a particular region and generally have to fight stiff competition from national brands. While some regional brands stay so because of lack of resources to expand, others continue as regional brands because of their distinct regional appeal. From the consumer perspective, regional brands are priced low, and are therefore preferable. Regional brands usually rely on local advertising. The flip side is that apart from the stiff competition from national players, they also have to tackle the onslaught of transnational brands.

National brands are those that are available countrywide. Most national brands prefer staying in sync with the image of the nation and leverage on the fact that it is a part of the country. Tata Tea, for example, leverages on the image of India as a nation that is growing and inspiring. On the other hand, there are national brands that prefer concealing their country origins in the quest to capitalise on the 'foreign quality' perception. National brands are definitely bigger than their regional counterparts and have a greater presence owing to its large distribution network. On the advertising front, the spends are generally higher and they employ a media mix to reach out to consumers.

It is also worth noting that some national brands have a very strong regional presence. For example, Chandrika soap is a national brand with strong regional presence in Kerala, Tamil Nadu and Karnataka.

National brands, if the need is felt, with the right strategy grow up to become transnational brands. Take the example of Fabindia, the well known Indian brand of clothing is a big hit in Italy, Dubai and Singapore. Hidesign, reputed for its leather accessories, has nearly a dozen stores across the world. Gitanjali Gems group has a chain of exclusive outlets in United States, China and Japan. Nalli, the sari store, has its branches in Singapore and California. It has to also be noted that not too many regional/national brands have made their mark globally. Even those which have managed to be present in select countries have not made a distinct mark.

13.2.2 Attitude brands

Attitude branding represents a larger feeling, which is not necessarily connected to the product or the consumption of the product. Being bad has nothing to do with the performance of a Jaguar XE. However, this is what the brand communicates through its 'It's Good To Be Bad' campaign. Being bad has become the attitude of the brand, and it has been creatively linked to the aggressive performance of the vehicle. Body Shop uses the human body as an asset. Nike pushes up the adrenaline by simply stating 'Just Do It' which translates into the confident attitude of the brand. MTV reflects the rebel in you.

13.2.3 e-Brands

The Economic Times reported in its December 16, 2014 edition, that eBay, one of the earliest online marketplaces has slipped behind Flipkart and Amazon on revenues from seller commissions, as its two rivals along with Snapdeal have been aggressively pushing sales with big discounting events and high-decibel marketing. Few years down the line, one could not imagine shopping online. However, today it is one of the most preferred shopping 'destinations'. Apart from shopping portals, some brands go online to register their e-presence, such as net banking.

13.2.4 Global brands

After the fall of the Soviet Union, Moscow plunged down from its superpower status and the bipolar structure that had shaped the security policies of the major powers for nearly half a century faded out, making the United States the sole surviving superpower. William C. Wohlforth, in his article, 'The Stability of a Unipolar World', states that commentators were quick to recognise that a new "unipolar moment" of unprecedented U.S. power had arrived. Since then the U.S. has added to its share of world product, manufacturers and high-technology production. It has also increased its lead in productivity, and further fortified its lead in many strategic industries.

American brands started making its mark in several nations and in the minds of consumers far beyond its domain and borders. Many other developed nations followed suit.

The Interbrand ranking of the 'Top 100 global brands 2011' is populated with brands from the U.S., Europe, Japan, Korea, and also Taiwan.

Global brands enjoy worldwide recognition. No doubt, the recognition comes with foolproof strategies and humungous investments. These brands evoke similar perceptions across the globe, and their promotional strategy – in most cases – is universal as they represent universal values. For example, an Adidas represents the universal value of sportsmanship, a McDonald's represents the universal value of merriment and togetherness, a Body Shop talks about the universal value of caring for the skin, Toyota represents the universal value of joy of travelling, and a Master Card represents the universal value of precious moments.

Following are some of the distinct features of global brands:

- **Customisation is the key.** Most global brands are customised to suit the preferences of the local consumer. Let's take the common example of driving. Most European countries have the left-hand drive, where the driver is seated on the left. However, global brands of cars in India manufacture cars with the right-hand drive. This is a very generic example. However, it holds true for specific brands, too. Another example is of Zara, the Spanish clothing company. Launched in India around 2010, the brand has attempted customising its clothing as per Indian preferences.

  Some researchers suggested standardisation of products, packaging and communication so as to get a least-common-denominator positioning all over the world and across cultures. The concept got a boost as multinationals tried penetrating markets with their global brands. However, since the least-common-denominator positioning may not always be acceptable for all the products, a case was made for producing brands so customised as to satisfy the local tastes, though keeping the technology, production and organisation on a global scale. This hybridisation led to global strategies (S. A. Chunawalla).

- **A global brand goes beyond functional attributes.** Does a Barbie talk about the fit or materiel of its clothing? Does a Leo Mattel talk about the durability of its toys? Does a Google talk about its search features? Even if they do, it is only a part of its secondary communication. Global brands pool in a lot of emotion and attitude.

- **Brand extensions are either nil, or they happen gradually in phases.** Barbie was just a doll for most consumers across the world. An icon of American culture, Barbie represented flamboyance and a luxurious lifestyle, and also inspired young girls to become independent and self-reliant. This brand of dolls, however, graduated to fashion and accessories. The move was gradual, but definite and confident.

- **The need for localisation is evident in global brands**. Let us examine the case of McDonald's that was accused of selling its French fries 100% vegetarian that contained beef flavouring. Attorney Harish Bharti who filed a lawsuit against McDonald's in May 2001 stated, "Hindus and vegetarians all over the world feel shocked and betrayed by

McDonald's deception and ultimate greed." There was a political uproar. Activists of Hindu fundamentalist groups – the Shiv Sena, Vishwa Hindu Parishad, and the Bajrang Dal staged a demonstration in front of the McDonald's head office in Delhi, protesting the alleged use of beef flavouring. In other parts of the country, stores were vandalised. Why the furore? Simple. McDonald's did not consider the local culture, religious beliefs and values. Today, McDonald's in India has made a mark. It has altered its menu to fit Indian consumers. You have an entire vegetarian spread, apart from the non-vegetarian delicacies (which is now only confined to chicken). In a nutshell, it is important that a global brand localises.

- **Integrated marketing communication** that speaks in one voice ensures that the brand communication is uniform across all platforms and at all levels.

- **A global brand researches the culture** of the region that it will operate in. It considers cross-cultural issues and avoids imageries or any form of communication that is sensitive to the ethos of the particular nation or region.

Table 13.1: Forbes Most Valuable Global Brands - 2014

Rank	Brand	Brand Value ($ Bil)	1-Yr Value Change (%)	Brand Revenue ($ Bil)	Industry
1	APPLE	124.2	19	170.9	TECHNOLOGY
2	MICROSOFT	63.0	11	86.7	TECHNOLOGY
3	GOOGLE	56.6	19	51.4	TECHNOLOGY
4	COCA-COLA	56.1	2	23.8	BEVERAGES
5	IBM	47.9	-5	99.8	TECHNOLOGY
6	MCDONALD'S	39.9	1	89.1	RESTAURANTS
7	GENERAL ELECRTIC	37.1	9	126.0	DIVERSIFIED
8	SAMSUNG	35.0	19	209.6	TECHNOLOGY
9	TOYOTA	31.3	22	182.2	AUTOMOTIVE
10	LOUIS VUITTON	29.9	5	9.7	LUXURY
11	BMW	28.8	4	81.3	AUTOMOTIVE
12	CISCO	28.0	4	47.1	TECHNOLOGY
13	INTEL	28.0	-9	52.7	TECHNOLOGY
14	DISNEY	27.4	19	23.6	LEISURE
15	ORACLE	25.8	-4	38.3	TECHNOLOGY
16	AT&T	24.9	3	128.8	TELECOM
17	MERCEDES BENZ	23.8	1	98.0	AUTOMOTIVE
18	FACEBOOK	23.7	74	7.8	TECHNOLOGY
19	WAL-MART	23.3	7	304.4	RETAIL
20	HONDA	23.2	10	115.5	AUTOMOTIVE
21	NIKE	22.1	22	26.1	APPAREL

22	VERIZON	21.6	11	120.6	TELECOM
23	BUDWEISER	21.4	1	10.0	ALCOHOL
24	AMAZON.COM	21.4	45	73.0	TECHNOLOGY
25	SAP	20.7	6	21.1	TECHNOLOGY
26	AMERICANEXP RESS	20.7	15	34.9	FINANCIAL SERVICE
27	GILLETTE	19.1	4	8.0	PACKAGED GOODS
28	PEPSI	18.9	4	12.8	BEVERAGES
29	NESCAFE	17.8	0	10.5	BEVERAGES
30	MARLBORO	17.4	5	23.2	TOBACCO
31	H&M	16.8	4	19.7	RETAIL
32	L'OREAL	16.6	-1	11.1	PACKAGED GOODS
33	VISA	16.0	13	11.8	FINANCIAL SERVICES
34	HSBC	15.3	1	98.4	FINANCIAL SERVICES
35	ESPN	14.8	15	10.5	MEDIA
36	HEWLETT-PACKARD	14.2	-7	112.3	TECHNOLOGY
37	SIEMENS	13.0	-5	101.2	DIVERSIFIED
38	AUDI	12.7	16	60.3	AUTOMOTIVE
39	GUCCI	12.5	4	4.7	LUXURY
40	IKEA	12.5	9	37.9	RETAIL
41	NESTLE	12.1	3	11.2	PACKAGED GOODS
42	FRITO-LAY	12.1	5	11.3	PACKAGED GOODS
43	HOME DEPOT	11.8	17	78.8	RETAIL

44	UPS	11.1	9	55.5	TRANSPORTATI ON
45	FORD	11.1	4	142.6	AUTOMOTIVE
46	DANONE	11.0	-1	13.9	PACKAGED GOODS
47	HERMES	10.8	16	5.0	LUXURY
48	FOX	10.7	5	13.0	MEDIA
49	ACCENTURE	10.5	9	31.9	BUSINESS SERVICES
50	PAMPERS	10.3	8	10.6	PACKAGED GOODS
51	ZARA	10.1	7	14.4	RETAIL
52	WELLS FARGO	10.1	12	88.1	FINANCIAL SERVICES
53	J.P. MORGAN	9.3	2	45.5	FINANCIAL SERVICES
54	EBAY	9.1	7	7.0	TECHNOLOGY
55	KRAFT	8.9	-3	7.1	PACKAGED GOODS
56	VOLKSWAGEN	8.9	9	144.7	AUTOMOTIVE
57	CATERPILLAR	8.8	4	55.7	HEAVY EQUIPMENT
58	COACH	8.8	-16	4.8	LUXURY
59	THOMSON REUTERS	8.7	-9	7.1	MEDIA
60	MASTERCARD	8.7	19	8.3	FINANCIAL SERVICES
61	STARBUCKS	8.7	25	14.5	RESTAURANTS
62	CHEVROLET	8.6	-	82.5	AUTOMOTIVE
63	CARTIER	8.5	-	6.5	LUXURY

64	COLGATE	8.4	6	4.0	PACKAGED GOODS
65	KELLOGG'S	8.3	-4	7.1	PACKAGED GOODS
66	SHELL	8.3	9	451.2	OIL&GAS
67	CANON	8.1	-7	37.3	TECHNOLOGY
68	NISSAN	8.0	16	98.5	AUTOMOTIVE
69	PRADA	8.0	12	3.9	LUXURY
70	ADIDAS	7.9	-6	14.7	APPAREL
71	HYUNDAI	7.8	2.0	52.0	AUTOMOTIVE
72	ROLEX	7.7	5	4.7	LUXURY
73	LEXUS	7.7	10	18.7	AUTOMOTIVE
74	RED BULL	7.5	5	6.7	BEVERAGES
75	BANK OF AMERICA	7.4	-5	79.5	FINANCIAL SERVICES
76	PHILIPS	7.2	2	31.1	DIVERSIFIED
77	JOHN DEERE	7.2	11	37.8	HEAVY EQUIPMENT
78	ALLIANZ	7.0	2	135.0	FINANCIAL SERVICES
79	CHANEL	7.0	1	4.7	LUXURY
80	KIA MOTORS	6.9	-	43.6	AUTOMOTIVE
81	EXXON MOBIL	6.9	7	390.2	OIL&GAS
82	SANTANDER	6.8	12	50.8	FINANCIAL SERVICES
83	HEINEKEN	6.7	-3	6.0	ALCOHOL
84	RALPH LAUREN	6.6	4	6.9	APPAREL
85	SUBWAY	6.6	16	18.8	RESTAURANTS

86	FEDEX	6.6	13	45.6	TRANSPORTATION
87	RBC	6.6	-	37.6	FINANCIAL SERVICES
88	CHASE	6.5	3	53.0	FINANCIAL SERVICES
89	PORSCHE	6.4	14	19.1	AUTOMOTIVE
90	LANCOME	6.3	2	4.4	PACKAGED GOODS
91	LEGO	6.2	-	4.5	LEISURE
92	ERICSSON	6.2	4	34.8	TECHNOLOGY
93	GOLDMAN SACHS	6.2	-9	40.9	FINANCIAL SERVICES
94	BURBERRY	6.1	11	3.7	LUXURY
95	SPRITE	6.1	-	3.6	BEVERAGES
96	HEINZ	6.0	7	4.5	PACKAGED GOODS
97	BOEING	6.0	-7	86.6	AEROSPACE
98	CITI	6.0	16	92.5	FINANCIAL SERVICES
99	MTV	5.8	5	3.3	MEDIA
100	DELL	5.8	-9	57.2	TECHNOLOGY

Source: http://www.forbes.com/powerful-brands/list/

13.2.5 In-store brands

Organised retailing comes up with ‘private label’ brands, which are in-store brands. These brands are owned, controlled, merchandised and sold by a specific retailer in its own stores. Shoppers Stop, while it retails products of domestic and international brands such as Louis Philippe, Pepe, Arrow and the likes, has also a range of brands under its own labels such as Stop, Kashish, Life, etc.

In-store brands or private labels enable a retailer to attain high margins by providing higher value to the customers and by saving costs. They not only increase a retailer’s bargaining power with suppliers, but also earn the loyalty of customers because of their exclusivity.

Private labels are more consumer-centric and fill the need gap of the consumer. Since these retailers with private brands are not merely sellers of products, they have to get into the marketing bandwagon and get the whole brand-building process in the organisation.

A retailer having only private labels may have to invest much more in the marketing and advertising, as there is lesser awareness among consumers. However, retailers such as Shoppers Stop which have a mix of global, local and in-store brands can leverage on in-store branding of private labels and thus generate awareness among the consumers who walk into the store.

On the other hand there are premium private labels such as Satya Paul, which bank on the brand’s status symbol. Such private labels target a niche audience. These labels, by virtue of their perceived premium status, are sought by consumers which focus on exclusivity rather than the price. There are also private labels, which in order to maintain their exclusive status, also offer a complete customisation package to their esteemed customers.

13.2.6 Premium brands

Premium brands are sought by consumers of the upper and upper middle class with high disposable income and an upscale lifestyle. A premium brand excels in quality and features. They exude their premium status through finesse in the product and packaging. Their target audience is niche and so the availability of such brands may be limited to select outlets in plush localities. These brands command a premium price. A premium brand can leverage upon its equity and extend the brand to other categories, too.

13.2.7 Sub-brands

Sub-brands are extensions of the mother brand. Today, you can find a Colgate Dental Cream, a Colgate Gel, a Colgate Visible White and also a wide range of Colgate Toothbrushes. Similarly, you also have a Titan Edge, Titan Octane, Titan Raga and a Titan Fastrack. Today, almost every other brand in India has a sub-brand.

The objectives of sub-branding may vary as per the market conditions, strategy adopted and various other factors. However, few of the reasons for sub-branding are generalised below:

- Sub-branding may be done to revive an old brand or to upgrade a brand.
- It can also be focused at meeting the needs of the consumers in the same segment.
- Sub-branding can also be the result of a strategy to change the imagery for a new segment.
- It is also done to distinguish product offerings within the same product category.
- Sub-branding is done to enter a new product category.

Mother brands generally endorse the sub-brand, provided the mother brand has a strong identity and image in the market. In case the mother brand is weak, the sub-brand can create its own identity for its specific target segment.

13.2.8 Cult brands

A product or service that has a near-fanatical customer base – a set of staunch believers who possess a sense of strong ownership towards the brand and have a distinct connection with the brand – can be termed a cult brand. Cult brands should not be mistaken for a fad. A fad is a temporary craze that fizzles down just as it was ignited. Cult brands, generally from a small beginning, grow gradually and build a strong following.

Harley Davidson, because of financial constraints, could not engage in traditional advertising campaigns. To compensate for the absence of advertising, in 1983, CEO Vaughn Beals announced the launch of HOG (Harley Owners Group). The idea of launching the group was to reconnect Harley's brand and lifestyle with its most faithful customers. By doing so they built a formidable relationship with their customers. Harley transformed from being just a brand of bikes to a community of Harley fanatics. Apple's Mac, Volkswagen Beetle, Ikea, Mazda Miata and Vespa are few other brands which have achieved the cult status.

It is definitely not easy for brands to achieve the cult status. To be a cult brand, the brand has to have a unique appeal, it has to be something that people want to be a part of, it has to exude a sense of identity and belonging. Moreover, a cult brand does not keep it to itself, it gives back. They exhibit their strong attachment with their customers by being there with them, for them.

According to C. James Best, cults display an intensity of relationship between the user and the brand itself. These brands polarise attitudes and create meanings by being different and distinctive. They cannot be all things to all people. They must exclude some people.

13.2.9 Generic brands

Generic brands are brands that are distinguished by the absence of a brand name, or that they have a brand name which is not advertised heavily. For instance, while there is a Britannia Cookie, there are also cookies that are baked by your local baker, which don't have a brand name. All you know is that they are cookies. In medicines, when patent protection expires, a bioequivalent version may be sold as a generic version of the brand name drug. Generics are generally lower priced, though they can also be of equal quality as a branded product.

Reputed brands often face the risk of being perceived as 'generic' because of 'genericization', which means they have gradually morphed from a single product identified under a brand name to an entire product category. A brand is said to have genericized when the name of the brand is associated with every manufacturer's product in the category. The said brand may be protected, but from the point of view of the consumer the brand name is synonymous with the product. For instance, Xerox has become synonymous with photocopier. Asprin, Band-Aid, Cellophane, Escalator, Thermos, App Store, Zipper are few other examples.

13.3 SERVICE BRANDS

To begin with, it is essential to understand how services are different from goods, in order to comprehend the various dynamics of services as brands. All that are tangible, that which can be seen and touched, that can be created and transferred, are goods. Goods can be used and consumed. Services are intangible.

John M. Rathmell (1966) makes a clear distinction between goods and services by considering a good to be a noun and a service a verb. According to him, a good is a thing and a service is an act, and while the former is an object, the latter is a deed, performance or effort. In another of his works, he puts it succinctly: goods are produced, services are performed. Building further on Rathmell's definition, Leonard L. Berry defines a good as "an object, a device, a thing," and a service as "a deed, a performance, and effort."

There are voices, of course, which argue that there is no widely accepted definition of services and that the functions of goods and services are not mutually exclusive. Levitt (1972), for example, believes that any distinction between goods and services was spurious, and that there are only industries whose service components are greater or lesser than those of other industries. There are also many, such as Gronroos, who contend that a divide between goods and services should no longer exist and that they should in fact converge with service principles dominating.

Accordingly, Vargo and Lusch define service as, "the application of specialised competencies (knowledge and skill) through deeds, processes and performances for the benefit of another entity or the entity itself." This definition, according to them, is the new dominant marketing 'logic' centred around service. As for the good-centred logic, it concerns generally a product which includes both tangibles (goods) and intangibles (services) as units of output. Thus, intangibles too are considered to be specific types of goods, that is, intangible units of output or as an augmentation of goods to enhance value.

Arguments and counter arguments abound. However, to set the perspective in context to our basic understanding of the differences between goods and services, here are a few general points of differentiation.

- Goods are tangible. They can be created and transferred. Services are intangible and non-physical.

- Goods can be physically handled and stored. Services cannot be physically handled. Their effects can be carried. Consumption of services happens during the process of creation.

- Goods are generally non-perishable. Services are perishable.

- Goods can be standardised. Services are difficult to be standardised.

- Equal quality of goods can be ensured. Equal quality between two offerings of services is difficult to access.

Services Marketing

Marketing of service brands can be a bit tricky. However, with proper research and analysis, the prospects for a service brand can be rewarding. Firstly, services are sold keeping in mind the interests of the buyers. Today, the banking industry, for example, banks on services to delight its customers. From online demand drafts and cheque book requests, to doorstep collection of cheques and other instruments, services are what define a good bank from the consumer perspective. Let us analyse, broadly what assessments a bank would have made to offer these services: firstly, it would have profiled its customers to understand what type and class of customers it has. It would have identified the areas that call for value added services. It would list out the areas of services that need immediate attention. And finally, it would have identified the cost involved in providing these services. This is just a broad outline of the considerations, though the fact is every minute aspect is considered in planning services.

The marketing mix of services includes product mix, price mix, place mix and promotion mix.

Product mix in services marketing focuses a lot on quality of services. Quality of service being the key, even before initiating marketing programmes, this aspect has to be considered, reviewed and constantly upgraded. The product mix for different service sectors depends on the sector. For instance, in the hotel industry, the typical product mix would include luxury rooms for business travellers and budget rooms for routine tourists.

Secondly, the price mix should be considered, which can be tricky considering the price-sensitive nature of service brands. Quality overrides price in the service sector. Consumers won't mind paying if the quality of service is exceptional. However, it is always prudent to strike a balance between price and quality.

Thirdly, location is of utmost importance, as the service should be accessible by the consumer. For instance, the location of a bank and its extensions is one of the decisive factors for account holders. Customers of banks take into consideration, among several other factors, the proximity of the bank from the residence or workplace, the network of branches, and location and number of ATMs.

The last and one of the most important of all the mixes is the promotion mix. No matter how exceptional the quality, or competitive the pricing, or advantageous the service is in terms of proximity, everything is futile if the customer is not made aware. The minimum, in terms of promotion, that a service requires is a direct mailer. And by the way, minimums don't generally work. So a mix of promotional activities needs to be planned, which could include all or select few of these mediums, depending on the objectives set for the brand: print (newspapers and magazines), electronic (radio and television), online (website, web banners, etc.), OOH (hoardings, kiosks, vehicle branding, etc.) coupled with other below-the-line promotions, personal selling and sales promotions.

Time Criticality in Services Brands

Does "30 minutes or free" tinkle something in your mind? Welcome to Domino's. One the most relevant and case-study examples of time criticality can be seen in this brand. Believe it or not, Domino's asked for it, literally. While time criticality has always been at the helm of service brands in this category, Domino's literally drilled it in, thus creating the '30-minute' slot in the minds of consumers.

Domino's delivery system was strategized to perfection on the concept of time. In a 2013 report in the Economic Times, Ajal Kaul (CEO, Jubilant Foods) reiterates that time-bound journey is the "lakshman rekha" for any Service Delivery Person (SDP) and that Domino's delivery boys will strictly toe the line and not serve houses that take more than 8 – 9 minutes to reach from the store.

HOW DOMINO'S CEO AJAY KAUL MAKES SURE
THE 30-MINUTE PROMISE IS KEPT EVERY TIME

Excerpt from Economic Times, Moinak Mitra, ET Bureau, March 22, 2013.
When a customer calls, the order is flashed on the kitchen screen. The pizza maker looks at it and gets down to the job at hand. There is the obvious dough stretching, saucing and cheesing, and depending on the nature of the order, 'itemizing' or topping, before it goes into the oven. Baking takes 6 minutes from where it goes to the cut table. Finally, it lands up on the routing table where it is packed as per order in pizza delivery boxes (read: warm bags) that SDPs carry to the last mile. "On average, we deploy 6-7 people on the process depending on the store size," says Harneet Singh Rajpal, VP-Marketing, Domino's Pizza India.

So this is how the 30 minutes divvy up. From order to oven, it should not take more than 4 minutes. Since the oven takes six minutes to bake; cutting, packing and pick-up make up for, say, another five minutes. And delivery time should never exceed eight minutes. Add all that-it's a neat 23 minutes. "We're designed to deliver in 23 minutes and give a seven minute buffer to our employees for unforeseen traffic, rains etc.," says Rajpal. The 50-year-old Kaul's calling is thus justified.

With 20,000 employees across 552 stores spanning 118 cities, the process is performed de rigueur day in and out. But the story doesn't end there. In the backend, materials need to move from the 180-odd business partners or vendors to the four factories or 'commissaries' as they are called in-house, before landing up at the stores. This is where each ingredient in the supply chain comes under sharp scrutiny.

It should always be remembered that a service may involve some waiting time. However, customer delight lies in either reducing that waiting time, or pepping it up with something interesting. The challenge of delivering the pizza in 30 minutes not only means giving a defined time, but also making that time a little interesting because of the bet of a free pizza thrown in. A relevant example of making the waiting interesting can be found in restaurants that dedicate an exclusive play zone, which allow customers to get involved in games, while their delicacies are being prepared. On the contrary, the worst example of waiting can be seen in customer service calls, when the executive keeps the customer waiting endlessly, while the hold-music is kept looping. Customers don't have patience. Waiting can be frustrating. Instant is the buzzword. Therefore, time criticality in service brands is of exceptional relevance.

Evaluation of Services

Consumers evaluate services and goods on the following qualities: search, experience and credence.

While goods are dominated by search and experience qualities, services are dominated by experience and credence qualities.

Search qualities refer to attributes such as price, colour, smell, shape or feel. These are attributes that the consumer can identify and assess. Search qualities may be evaluated prior to purchase. For instance, when a purchase decision has to be made for a pair of shoes, the consumer evaluates the quality of the shoes on the basis of its price, colour, design (shape) and feel.

Experience qualities refer to the experience of the service or product. Assessing experience qualities may require trial or consumption. In the case of products, such as the pair of shoes that we discussed about, the consumer may evaluate the experience on the basis of comfort level, ruggedness, or may be its match with his wardrobe. In the case of services, such as in a restaurant, the consumer may evaluate the experience quality on attributes such as ambience, hygiene, taste, appearance and mannerisms of the stewards.

Credence qualities refer to the credibility of the services, which are generally difficult to assess. It is difficult to evaluate services such as legal, medical, chartered accountancy, etc. as consumers may not have required competencies to do so. It is difficult to judge these even after consumption.

Human Resource and Service Brands

Service brands are largely people driven. To put it in simple words, human resource form the most integral part of service brands.

Let us start off with a simple – and perhaps a common - example: The moment you enter a telecom service provider's outlet, a uniformed security opens the door for you. Once you enter, you see many counters which have several personnel with a common dress code. You are perhaps given a token number, and once it's your turn, you go to the counter. The executive at the counter greets you with a smile saying, "How may I help you?" You state your issue and the executive gets into addressing your problem, all the while being extremely courteous with you (despite the fact that you may be aggressive and confrontational). Well, you may think it's rather absurd that despite your confrontational attitude, the executive appears calm. That's what personnel in the service sector are trained to be.

Services are represented by manpower. In many cases, they are the only point of contact. They have to be properly trained on various fronts: service details, technology if involved, behaviour and mannerisms, dress code, ethics, etc.

S. A. Chunawalla puts down the following factors related to the role of human resources in service brands:

- **Appearance**: Shabbily dressed staff cannot sell high profile services. Elegantly dressed staff is a must for the service brand.

- **Responsiveness**: Manpower should be sensitive to the needs of the consumers. In a cinema hall, a family can be given corner seats. A split family can be made to sit together in a bus.

- **Assurance**: If there are snags, the manpower courteously informs the consumers and also informs them about the steps being taken to rectify the problem.

- **Empathy**: A crying child is given a choco-bar in a restaurant. Manpower tries to comfort the child.

- **Reliability**: Track record is built by providing reliable service.

Table 13.2: India's Most Trusted Service Brands 2013

RANK	BRAND
1	AIRTEL
2	VODAFONE
3	STATE BANK OF INDIA
4	BIG BAZAAR
5	BSNL
6	LIC
7	AIRCEL
8	TATASKY
9	TATA DOCOMO
10	AIRTEL DTH
11	IDEA CELLULAR
12	BANK OF INDIA
13	AXIS BANK
14	CANARA BANK
15	PIZZA HUT
16	PUNJAB NATIONAL BANK
17	RELIANCE FRESH
18	CENTRAL BANK OF INDIA
19	INDIAN BANK
20	ICICI BANK
21	DISH TV
22	BANK OF BARODA
23	UNION BANK OF INDIA
24	RELIANCE COMMUNICATIONS

25	HDFC BANK
26	CAFÉ COFFEE DAY
27	DOMINO'S
28	VIDEOCON DTH
29	MCDONALD'S
30	SPENCER'S
31	CITIBANK
32	VIDEOCON TELECOMMUNICATIONS
33	SBI LIFE INSURANCE
34	IDBI BANK
35	SUN DIRECT
36	KFC
37	MTS
38	BIRLA SUN LIFE INSURANCE
39	AIR INDIA
40	PANTALOONS
41	KOTAK MAHINDRA BANK
42	RELIANCE LIFE INSURANCE
43	LIFESTYLE
44	RELIANCE DIGITAL
45	BAJAJ ALLIANZ LIFE INSURANCE
46	EASYDAY
47	UNINOR
48	ICICI PRUDENTIAL LIFE INSURANCE
49	HDFC LIFE INSURANCE
50	MORE

Source: Economic Times, Brand Equity.

13.4 SUMMARY

There are many types of brands. At the bottom of the hierarchy is the store brand, or the private label, followed by regional, national and global brands. Among these too, there are brands that are segmented on the basis of their distribution strategy, such as e-brands. There are also brands that are segmented on the basis of their personality, experience, etc.

India is home to many regional brands. These brands are unique to a particular region and generally have to fight stiff competition from national brands. While some regional brands stay so because of lack of resources to expand, others continue as regional brands because of their distinct regional appeal. From the consumer perspective, regional brands are priced low, and are therefore preferable. Regional brands usually rely on local advertising. The flip side is that apart from the stiff competition from national players, they also have to tackle the onslaught of transnational brands.

Attitude branding represents a larger feeling, which is not necessarily connected to the product or the consumption of the product.

e-Brands are brands that have made their presence felt online.

Global brands enjoy worldwide recognition. No doubt, the recognition comes with foolproof strategies and humungous investments. These brands evoke similar perceptions across the globe, and their promotional strategy – in most cases – is universal as they represent universal values. For example, an Adidas represents the universal value of sportsmanship, a McDonald's represents the universal value of merriment and togetherness, a Body Shop talks about the universal value of caring for the skin, Toyota represents the universal value of joy of travelling, and a Master Card represents the universal value of precious moments.

Organised retailing comes up with 'private label' brands, which are in-store brands. These brands are owned, controlled, merchandised and sold by a specific retailer in its own stores. Shoppers Stop, while it retails products of domestic and international brands such as Louis Philippe, Pepe, Arrow and the likes, has also a range of brands under its own labels such as Stop, Kashish, Life, etc.

In-store brands or private labels enable a retailer to attain high margins by providing higher value to the customers and by saving costs. They not only increase a retailer's bargaining power with suppliers, but also earn the loyalty of customers because of their exclusivity.

Premium brands are sought by consumers of the upper and upper middle class with high disposable income and an upscale lifestyle. A premium brand excels in quality and features. They exude their premium status through finesse in the product and packaging. Their target audience is niche and so the availability of such brands may be limited to select outlets in plush localities. These brands command a premium price. A premium brand can leverage upon its equity and extend the brand to other categories, too.

Sub-brands are extensions of the mother brand. Mother brands generally endorse the sub-brand, provided the mother brand has a strong identity and image in the market. In case the mother brand is weak, the sub-brand can create its own identity for its specific target segment.

A product or service that has a near-fanatical customer base – a set of staunch believers who possess a sense of strong ownership towards the brand and have a distinct connection with the brand – can be termed a cult brand. Cult brands should not be mistaken for a fad. A fad is a temporary craze that fizzles down just as it was ignited. Cult brands, generally from a small beginning, grow gradually and build a strong following.

Generic brands are brands that are distinguished by the absence of a brand name, or that they have a brand name which is not advertised heavily.

Services are intangible. The differences between goods and service brand are as follows:

- Goods are tangible. They can be created and transferred. Services are intangible and non-physical.

- Goods can be physically handled and stored. Services cannot be physically handled. Their effects can be carried. Consumption of services happens during the process of creation.

- Goods are generally non-perishable. Services are perishable.

- Goods can be standardised. Services are difficult to be standardised.

- Equal quality of goods can be ensured. Equal quality between two offerings of services is difficult to access.

Marketing of service brands can be a bit tricky. However, with proper research and analysis, the prospects for a service brand can be rewarding.

Consumers evaluate services and goods on the following qualities: search, experience and credence.

While goods are dominated by search and experience qualities, services are dominated by experience and credence qualities.

Service brands are largely people driven. To put it in simple words, human resource form the most integral part of service brands.

13.5 ACTIVITY

1. Assess the types of brands available at your nearest general store.

....
....
....
....
....

13.6 SELF ASSESSMENT QUESTIONS

1. Elaborate on the different types of brands.

2. What are service brands?

3. Explain evaluation of services.

Multiple Choice Questions

1. Most _________________ brands prefer staying in sync with the image of the nation and leverage on the fact that it is a part of the country.

   a. Local
   b. Regional
   c. National
   d. Zonal

2. __________ initiated the “It’s good to be bad” campaign.

   a. Maruti
   b. Jaguar
   c. Hyundai
   d. Skoda

3. Which of the following statements are true:

   a. After the fall of the Soviet Union, Moscow plunged down from its superpower status and the bipolar structure that had shaped the security policies of the major powers for nearly half a century faded out, making the United States the sole surviving superpower.

   b. Organised retailing comes up with ‘private label’ brands, which are in-store brands. These brands are owned, controlled, merchandised and sold by a specific retailer in its own stores.

   c. Premium brands are sought by consumers of the lower and lower middle class with low disposable income and an upscale lifestyle extension.

d. Consumers evaluate services and goods on the following qualities: quality, durability and perfection.

Answers

1. (C), 2. (B), 3. (A, B)

13.7 RECOMMENDED READING

Book

- Brand Customer Service, by Janelle Barlow & Paul Stewart.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 14

AGEING BRANDS AND REVITALISATION

Objective

After completing this chapter, you will be able to understand:

- The causes that lead to a brand's decline and strategies involved in brand revitalisation

Structure:

14.1 Introduction

14.2 Ageing/Mature Brands

14.3 Decline of Brands

14.4 Ageing of Brands

14.5 Revitalisation of Brands

14.6 Kapferer's Perspective of Revitalisation

14.7 Larry Light's Six Rules for Brand Revitalisation

14.8 Summary

14.9 Activity

14.10 Self Assessment Questions

14.11 Recommended Reading

14.1 INTRODUCTION

Almost all product categories have examples of brands which were once prominent and are now either on the decline or have completely disappeared. Where is Gabbar's asli pasand, 'Glucose-D' biscuit? Savage after-shave may not even be remembered. The zing is out of 'the zing thing' – Goldspot. Where is Code 10 Tonic Hair Dressing? Where is the great cola taste of Thril? Do you remember the tough jeans, Avis? These are few Indian brands that ruled the market once upon a time. Today, they no longer exist. And if they do exist, they are just a part of nostalgia.

On the other hand, there are examples of many great brands, which have survived the storm of decline. Dabur has been growing stronger every year since 1884. Coca-Cola has been rocking since 1887. Godrej has only grown and diversified since 1898. Amul has been at the centre of the breakfast table since 1946. Brands such as these have not only survived, but also taken the lead.

This chapter deals with the various reasons that lead to the decline of brands and discusses the dynamics involved in revitalising them.

14.2 AGEING/MATURE BRANDS

According to Huffman and Wansink, "Mature brands are older brands and their value to a company is over time, not just from annual sales."

Kevin Keller defines mature brands by also adding a timeframe to it: "Mature brands have been out in the market for a number of years (at least 5 or 10) and have a certain level of awareness and image with its target market. If it didn't have that, it would be a developing or maturing brand."

For Hampton Bridwell, age is somewhat artificial because it really depends on the nature of the country and its economic development.

The Interlink White Paper states that most mature brands that decline share similar characteristics on four fronts: Brand dimension, price dimension, sales dimension, technology and investment dimension.

1. Brand dimension

From the point of brand dimension, mature brands have the option of leveraging on its heritage. Few brands do harp on heritage, but the declining ones generally assume that their heritage will keep them alive forever, which reflects pure imprudence. Another point that gets blurred due to maturity of brands is the fact that brand associations with the target market gradually erode. Along with associations, there is also an erosion of distinct points of differentiation. The target audience is likely to be unreceptive to the brand and its communication. Brand awareness is also narrowed.

2. Price dimension

These brands are moderate to premium priced. Despite being under focused, under advertised and under promoted, these brands stay afloat on the near-tattered plank of latent loyalty. This loyalty soon fades in the face of competing brands that are similarly priced and that harness the benefits of advertising and promotions.

3. Sales dimension

The sales of these brands gradually decline and, over a period of time, stagnate. The sales velocity decreases. Their distribution weakens and their position on the shelf keeps shifting backward. The loyal customer base wobbles and wanes.

4. Technology and investment dimension

These brands are not updated or are not in synch with technological developments. Research and development is little or nil. To add to it, there is little or no investment done on these brands.

14.3 DECLINE OF BRANDS

J. N. Kapferer, in his book, 'The New Strategic Brand Management' opines that brands decline when they lose their respect. Lack of innovation, advertising or productivity only proves that the company has ceased to be interested in its brands. It is very obvious that when the company loses interest in its brands, the consumer also tends to lose interest. According to Kapferer when the brand loses dynamism, energy, and shows fewer signs of vitality, there is possibly no hope that it will arouse passion and proselytism. He lists the following factors that accelerate the decline of brands:

❖ **When quality is forgotten**

Kapferer says that the first and surest road to decline is through the degradation of the quality of the products. In many cases, when economic factors force companies to cut corners with regard to quality, they hardly realise that customers feel they are not being respected. There are also cases when, despite stringent quality control measures, even a minor neglect can tarnish the quality image of the brand. Customers, who had tremendous faith in the quality of Cadbury, felt cheated and disrespected when a few samples of chocolates were found to be infested with worms. In this case, Cadbury, in its defence, issued a statement that the infestation was not possible at the manufacturing stage and was likely to be the result of poor storage at the retailers. Despite all possible explanations given by the company, Cadbury's sales dipped by 30 per cent. Cadbury's decided to bounce back. It invested up to ` 15 crore on imported machinery to revamp the packaging of Dairy Milk. Though the metallic poly-flow pack was costlier by 10 – 15 per cent, the brand did not hike its price. Along with this initiative at the product level, Cadbury's also launched project 'Vishwas' – an education initiative covering 190,000 retailers in key states. And finally, the company developed a campaign to win back the trust of consumers. Cadbury's emerged victorious.

Though this is not a case about quality forgotten, it reinforces the importance of absolute quality control at all levels.

❖ **Beware of non-significant differences**

According to Kapferer, the change in the level of quality of a product is rarely abrupt, but results from the insidious logic of statistical tests. Manufacturers may make significant or non-significant changes in the product. In the case of significant changes, the product may undergo drastic and very conspicuous change, which may or may not be communicated to the consumer. The danger is in non-significant differences. While the company may presume a change as non-significant, for the consumer the change may be significant. The fact that Cadbury's and Nestle have been shrinking their bars, while retaining the same price has not gone unnoticed by consumers. The Daily Mail (UK), in a 2010 report, 'Chocolate companies shrink size of nation's favourite bars in bid to beat VAT hike and rising costs' elaborated on the strategy that these companies have developed to protect profits. However, the consumer cannot be fooled. Kapferer observes: "The problem entirely rests with the expression 'significant difference'. All the decisions are based on the so-called 'alpha-risk threshold' (generally 5 per cent). As long as the difference observed in the sample, just due to chance, affects less than 5 per cent of the cases, it is declared non-significant. In sciences, the aim of this high-risk threshold is to avoid taking for real a phenomenon which would not exist in reality. The problem is that in marketing, it is the 'beta risk' that should be taken into account, the aim of which is to avoid considering as false a hypothesis that is in reality true. For, through modifying the product even by the smallest amount which each time has been declared 'non-significant', a considerable risk is taken." (J. N. Kapferer, 'The New Strategic Brand Management' Pg.440)

In short, any modification should take into account the consumer perspective because a non-significant can be significant for the consumer.

❖ **Missing the new trend**

Nokia, which once was synonymous with mobiles, was the giant in the cellphone market in the 1990s, with almost 100% market share. By the start of 2000, Nokia became the leader in mobile technology. Nokia 7110 was the first phone capable of basic web-based functions and in the year 2001, it launched its first phone with built-in camera, followed by the Nokia 3650 which could capture videos. The journey was a cake-walk, till the time Apple entered. The challenge was to fight Android with the Symbian operating system. While Nokia stubbornly stuck to the Symbian platform, other brands such as Samsung and Sony Ericsson moved up to the Android. It was the beginning of Nokia's end.

Kapferer states that the third factor of decline is the refusal to follow immediately a durable change. When brands refuse to adapt to the latest trends, they decline.

❖ **The mono-product syndrome**

While the fact is that start-up companies need to focus on developing a single product, for companies which have existed a long time, the strategy may seem obsolete. Coca-cola took a long 69 years (1886 to 1955) to introduce its second product – Fanta. Why did it do so? The answer is simple: as times changed, it felt that the mono-product syndrome may set in. Kapferer observed that at the level of product policy, the brands associated with a single product are more vulnerable, as they risk being hit by the decline of the product. He has exemplified it with Wonderbra that fell into the mono-product trap. Wonderbra, launched in Europe in 1994, became famous with its "Hello Boys" advertising campaign. Wonderbra came up with products that helped women who felt they had small breasts look sexier and gain self-assurance. A new segment was created and in the year 1995, 5 million units were sold in Europe. 86 per cent of its consumers were less than 35 years of age. However, after the sales peak of 1995, sales declined as competitors entered the segment. Wonderbra faced severe flak. Kapferer says that the problem with Wonderbra was that it became associated not with a brand but with a product. Its brand name became a generic name. Banking on a product doesn't work, solely because a product can be replicated.

❖ **Distribution factors**

Declining distribution network can be another major cause of decline in brands. Once the consumer comes across the difficulty in finding the brand, he gradually loses interest. No consumer, unless the he or she is a hardcore loyalist, will go through the pain of searching a brand. Eventually, he or she will buy a brand that is either the equal or better than the brand that he or she has been loyal to. Kapferer states that the relationship with a distribution channel can be a factor of decline if the brand does not live up to the new expectations of it. Distribution factors also comprise of brands that change their distribution status. For instance, when a prescribed brand of medical formulation shifts to become an OTC (Over The Counter) brand, it generally loses on equity. Such brands lose on consumers because the shift from being a laboratory-guaranteed product — exclusively prescribed by doctors – to a brand that is non-prescribed also transitions the perception of the brand.

Lastly, in today's market what works is a mix of both push and pull. While retailers focus on pushing the brand over the counter, advertising and promotions, along with all other attributes create the pull.

❖ **Weak communication creates a distance**

Weak communication accelerates the decline of brands. Advertising is vital for the brand to flourish. However, advertising on a weak communication platform, could be as equal as not advertising at all.

FitzGerald of Unilever Identifies Five Factors for the Decline of Brands:

1. Arrogance

Brands do not 'belong' to companies but to people, to the consumers. The moment companies try to turn the table around and start tinkering with the brand with the arrogant belief that it is 'their' brand and that they can do anything with it, the decline begins. Such tinkering not only confuses the consumers, but also injects a feeling that the brand does not respect them. A brand must stay connected to consumers and should be in a position to meet their evolving needs.

2. Greed

Compromising on quality to increase profits is nothing, but greed on the part of the brand custodians. The moment quality is sacrificed consumers begin distancing themselves from the brand. Therefore, it is vital that the company sets a right quality-price equation.

3. Complacency

Google could have very well been content at being the most superior search engine. The fact is it did not. It explored and exploited various avenues much before other search engines could even attempt creating a dent. By expanding to maps, youtube, play and android, Google reinvented itself time and again, every time. On the contrary, complacency only takes the brand to oblivion.

4. Inconsistency

A brand is a guarantee of consistent quality, further powered by consistency in everything it does, including advertising, communication and promotion. A brand that is consistent in all aspects of its business prospers.

5. Myopia

Brands are not temporary visitors in the market place. Hence, it is obvious that their strategy cannot be temporary. Myopia means short-sightedness. While there are many brands which are myopic and thus focus only on generating sales, prudent brands look at the long-term prospects. A brand may just barge into the market and create a noise through sales promotions and discounts. The question is, then what? Apart from the fact that such brands may not survive on offerings and freebies, they fizzle out in comparison to brands that connect with consumers through the various attributes.

14.4 AGEING OF BRANDS

According to Kapferer, the concept of ageing has two different meanings:

1. Phasing

Phasing suggests a slow but systematic decline of the brand over a long period of time. Kapferer says that such brands are not destined to end rapidly but seems to be inevitably phased out with time. These brands may have been strong and active in the past, but today they appear to be more mundane, as if they no longer have anything to say or to propose to the market. These brands survive on the patronage of its loyal customers. One of the issues with such brands is the widening gap between spontaneous awareness and assisted awareness. For instance, when we talk of detergent powders, a Rin or Tide comes to mind (spontaneous awareness). However, today, a Nirma has to be spelled out in order to assist recollection (assisted awareness). Most brands in the phasing period do not launch new products, do not surprise any more, and more often than not, repeat themselves. As Kapferer puts it, “There is only a small difference between repetition and boredom.”

2. Reflection

This refers to the reflected image of the customer. There are specific brands that point to the customer being older, even if the product is applicable for all age-groups. For instance, most of the scotch commercials show middle-aged men enjoying their scotch in a plush ambience. On the contrary, almost all of the vodka and white rum campaign focus on the youth in fun-filled, adventurous and carefree situations. Brands of sanitary napkins in India focused earlier only on women. It was only later that they started picturing the typical adolescent. In the earlier times, especially in the eighties, when suits were looked upon as an exclusive and premium product, most brands featured middle-aged and older men. However, Kapferer opines that even in the case of a company whose marketing is deliberately targeted at older customers, it is never advisable to be too closely associated with an older clientele. For instance, banks in India, which were once portrayed as the domain of older men, today reflect the upwardly mobile, investment-conscious, generation-next youth, just-married couples, and young parents.

Symptoms of Ageing Brands

INSUFFICIENT PREPARATION FOR THE FUTURE

- Insufficient rate of new products in the yearly sales
- Low rate of patent registrations.
- Low rate of trademark registrations
- Insufficient investments in R&D, in market sensing, in trend spotting.
- Insufficient knowledge about new uses and new emerging situation of use.
- Date of the last executive committee meeting to address these issues.

INSUFFICIENT DUAL MANAGEMENT

- Insufficient knowledge about non-consumers, modern consumers, tomorrow's
- More and more sales to a reduced number of clients.
- Following the demands of existing clients, not foreseeing the changes in the market.
- Slow but regular increase of the average age of clients.

INSUFFICIENT CAPACITY TO CAPTURE GROWTH POCKETS AS THEY EMERGE

- Thinking the brand only through its historical product, without being ready to capture emerging new materials and demands.
- Excessive vision of what is called brand coherence, thus limiting the types of extensions to be made by the brand.

INSUFFICIENT RELEVANCE

- Weakening of the present positioning and values
- Weakening of the way values are materialised
- Date of the last customer satisfaction questionnaire.
- Date of the last interview with lost customers.
- Increase in proportion of customers declaring they are 'moderately satisfied'.
- Date of the last blind test.
- Lowering rate of repeat purchase.
- Decrease om spontaneous awareness (saliency).
- Decrease in number of spontaneous press quotes.

INSUFFICIENT VITALITY TO CONTACT

- Lack of regular updating of the quality of the logo and visual symbol of the brand.
- Date of last change or facelift for the packaging (design, ergonomics).
- Lack of regular facelifts for stores or concessions.
- Lack of organised merchandising, lack of plans to regularly rethink it.
- Lack of service (call centres, websites and so on)
- Lack of brand proximity marketing.
- Lack of advertising.

INSUFFICIENT SELF-STIMULATION

- Lack of curiosity.
- Lack of desire to surprise.
- Lack of PR events
- Lack of contacts with new opinion leaders, with the press.

INSUFFICIENT STAFFING

- Lack of young managers
- Sex imbalance among executives (100 per cent male or 100 per cent females)

Fig. 14.1: Symptoms of ageing brands

Source: The New Strategic Management – J. N. Kapferer, Korgan Page (London & Philadelphia), Pg 452 (Creating and sustaining brand equity).

14.5 REVITALISATION OF BRANDS

In the year 2008, Mourizio Bonas, synonymous with traditional suit craftsmanship, visited India to teach select tailors the secrets of Italian style and tailoring. He conducted around 25 workshops in Delhi, Mumbai, Kolkata, Chennai and Bangaluru. Mourizio Bonas was doing this at the behest of Reliance, who hired him to reinvent its textile brand, Vimal, into a flamboyant new brand that offers Italian styling at Indian prices.

Vimal, which was launched by Dhirubhai Ambani in 1966, wanted to revitalise the brand. Reliance chose to revitalise it on the basis of innovation, use, segmentation and by redefining the brand essence. A brand into textiles that focused only on suit pieces shifted into the ready-to-wear segment with a redefined target audience in the age-group 25 to 40 years of age.

And what happened to Apple? While the brand flourished in the eighties, Apple's popularity graph plummeted in the nineties. It seemed impossible for Apple to regain its market value. It was then that Steve Jobs made a comeback. Focusing on innovations to revitalise the brand, Apple introduced the iPod, iPad and iPhone. Today, Apple has almost become a cult brand.

The questions that come to mind are: How should one rejuvenate a brand? What were the ideas or strategy that led to the revitalisation of these brands? What should be the ideal approach to recreate a durable growth for a brand that has long been declining? Kapferer puts it rather very interestingly: Although there exists a wide variety of situations, the goal is the same: to bring a brand back to life. This leads to the core question, what life? Whose life? As a rule, it will rarely be the same as formerly.

It is ideal to initiate the revitalisation, keeping in mind the changed market, consumers, competition, technology and all other important aspects.

What is Brand Revitalisation?
Every brand has its own lifecycle. The standard brand lifecycle, according to Jean Marc Lehu, consists of birth, growth, maturity, decline and death. Ideally the brand rejuvenation should take place at the end of the maturity phase. In case, it does not happen then, the brand starts to decline and it eventually it dies.

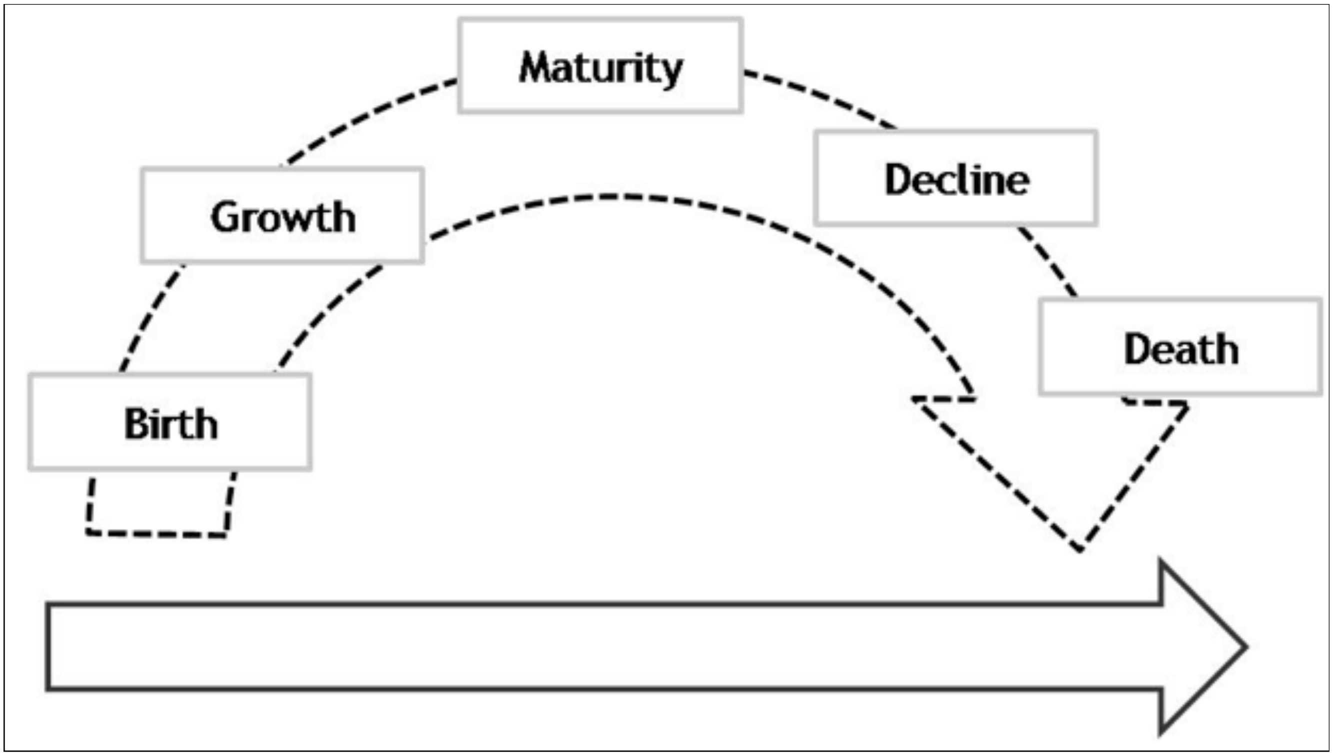

Fig. 14.2: The standard brand cycle

Source: Brand Rejuvenation – Jean Marc Lehu, Korgan Page.

Brand revitalisation, also called brand rejuvenation, refers to a company's attempts to regain lost equity of the brand. According to Keller, brand revitalisation is about brands returning to their roots and recapturing lost resources or establishing new source of equity. For Kapferer, revitalisation is about recreating a consistent flow of sales, putting the brand back to life, on the growth slope again. Larry Light says that brands do not die natural deaths, but are murdered through mismanagement. According to him, while some brands are beyond hope, others can be revitalised. Thus, decline may not necessarily mean an impending death. There are great chances that the brand can be resurrected.

This resurrection of the brand is termed 'brand revitalisation'. When does this resurrection take place?

Refer Figure 4.3. While through the introduction to growth phase, the brand has to be managed adequately in order to sustain, it is at the end of the maturity phase that the brand revitalisation process needs to be initiated.

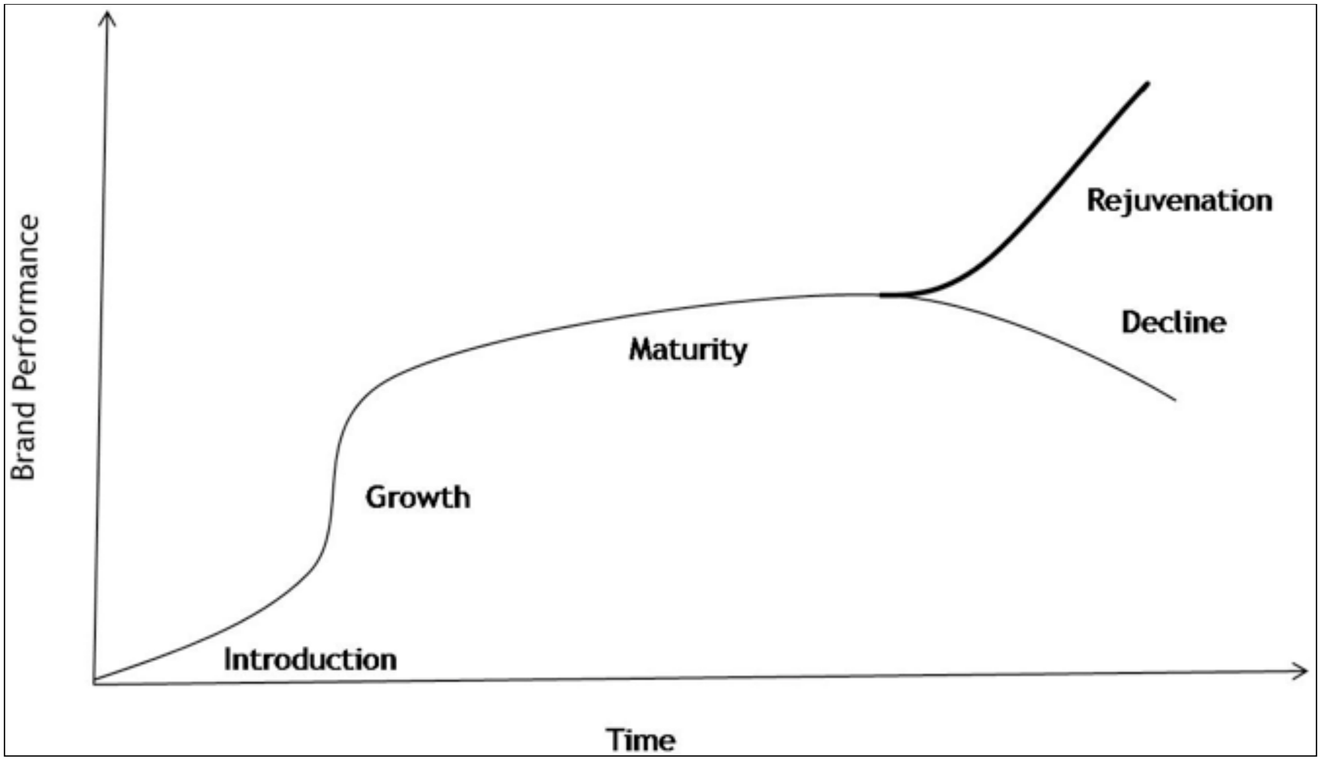

Fig. 14.3: Brand lifecycle (Egan, 2007)

How can this revitalisation take place? By going back to the drawing board, analysing the brand and employing methods to rejuvenate it.

14.6 KAPFERER'S PERSPECTIVE OF REVITALISATION

J. N. Kapferer, in his book 'The New Strategic Brand Management' offers the following perspective on revitalisation of brands.

❖ **Revitalising by redefining the brand essence**

Brands may fade off from the minds of consumers. Brands may go into absolute oblivion. However, the saving grace lies in the fact that they still possess an internal meaning, when evoked. Goldspot, even today, is known by its orange colour and tangy taste. The fading brand may have many values. The first step in brand revitalisation involves identifying which values of the brand have a high relevance to the present context and which have lost meaning. Kapferer states that old brands have disseminated bits of association in people's memories, even among non-customers or newer generations, which act as humus. He says it is important to analyse this humus. How do we analyse this humus?

Explore the traces of the leftover brand essence. Can you find something meaningful that is relevant to the present context? Do these traces make any sense in the current scenario? Look out for the potentialities that emerge from the essence. Analyse the market opportunities. It is very important that these factors are considered before initiating the process of rejuvenation.

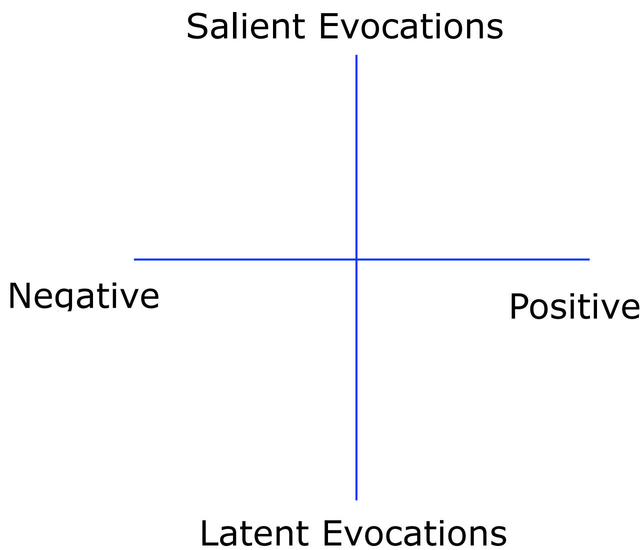

Fig. 14.4: Analysing brand potential.

Source: The New Strategic Brand Management (Pg 446), J. N. Kapferer.

Kapferer explains how to analyse the brand by using the above figure. He says, as a rule, declining brands have few salient evocations, or these evocations are generic and lack differentiation. He suggests that the real potential usually lies in the latent associations and the marketing needs to choose the right set from among these buried positive associations.

❖ **Revitalising through new uses**

Maruti 800, the 1983-brand manufactured by Maruti Suzuki in India, was to be phased out around 2010. One of the reasons for the phasing out was the relatively outdated model’s declining sales. However, in the year 2011, Maruti decided to re-launch Maruti 800, compliant with Euro IV emission norms, to tap the small-car market directly competing with the Tata Nano.

Revitalisation need to take bolder steps and newer paths. Bolder steps could involve targeting newer markets, newer audiences, and finding newer occasions to associate the brand with. One cannot stick to old consumers for the simple reason that they would have moved on to other brands and their perception of this ailing, ageing brand would have changed. The call is to establish new parameters for the brand, which in turn will open newer avenues.

- **Revitalising through distribution change**

According to Kapferer, using known brands in different distribution circuits seems to be a classic revitalisation strategy. For instance, many beauty brands have been repositioned and placed in beauty salons, where 'push' marketing works.

- **Revitalising through innovations**

The group website of Adidas has a page titled 'Changing the game. One innovation at a time.' This is followed by a strong and inspiring subhead, 'Innovation has always been the centrepiece, the engine if you will, that has kept Adidas going through the decades.' In the entire piece that follows, Adidas talks about its innovation-driven processes, all integrated in the Innovation Research Lab. Adidas is not only preachy about its passion for innovation. It can also been seen in their products, such as BOOST, the 99-gram football boot. This is perhaps one of the finest examples of how brands keep redefining themselves.

Coming to the point of revitalising through innovations, this is one way that ageing brands can resurrect and re-establish themselves.

In the fiercely competitive US detergent market, while some manufacturers were cashing in on consumer mistakes, Proctor & Gamble (P&G) changed consumer user behaviour with its innovative Tide Pods product. Each Pod is called a 'unit dose' capsule, which equals the pre-measured amount of detergent per load. This eliminated the need to pour the detergent, in the process eliminating the errors of over-use. This is one of the perfect examples of disruptive innovation, an innovation that helps create a new market and value network by disrupting an existing market and value network, displacing an earlier technology. The Futures Company, a New York based consulting solutions company, uses the Tide Pods story to drive the point that the innovation was not to benefit competitors at the expense of consumers, but to benefit the consumers at the expense of competitors.

❖ Revitalising through segmentation

Kapferer uses the example of Burberry to explain the approach of revitalisation through segmentation. Burberry, established in 1856, is a British luxury fashion house that merchandises fashion wear, fashion accessories, fragrances, sunglasses and cosmetics.

Back in the eighties, when the 'casual' movement was born, Burberry (which was earlier identified with the niche executives) became a favourite. However, by early 2000, it is when the company's distinctive camel-coloured check became a uniform of the 'chav' that the trouble started brewing. Chav is a defamatory term in Britain to describe a stereotype, especially the white working-class delinquent looking for trouble. People wearing Burberry baseball caps and jackets were being turned away. The brand lost its elite reputation when Daniella Westbrook, a soap actress, was photographed wearing the Burberry check, along with her daughter.

The wake-up call was given and Burberry had to seriously rethink. That's when Rose Marie Bravo stepped in as the CEO. Among the many major revamps that were carried out, she also initiated the process of segmentation to revitalise the brand. Today, Burberry London is a niche offering for the classic clients, while Burberry Prorsum is targeted at the fashionable and modern, and Thomas Burberry is aimed at teenagers.

❖ Revitalising by contact with opinion leaders

Kapferer says that ageing brands generally lose contact with the trendsetters in their category, the tribes that prefigure change. Who are these trendsetters? They are the opinion leaders. Mountain Dew, for example, identified its trendsetters as the ones who dare, the ones who challenge, the ones whose lives are defined by nothing, but adventure. Without these trendsetters, no matter how much the brand invests in advertising and promotions, it will only be futile. Quoting Gladwell, Kapferer opines that Hush Puppies rejoined the fashion brandwagon in the United States in 1993, because East Side Manhattan fashionistas found them cute and appropriate for their quest for permanent differentiation. He equates the relationship between trendsetters and brands to friendship: "It is not easy to make friends again with people one have not called for years, during which time they have been seduced by the competition, including new entrants." He says that recreating the proximity through direct contacts and sharing emotional experience will be difficult, but it is an essential part of any comeback.

❖ **Revitalising through 360-degree communication**

360-degree communication is about developing a conversation with the target audience at all touch-points. It is not just about using all or a mix of media vehicles to reach the audience, but it is also about developing a rapport with them beyond the traditional realm of communication. So, apart from television, radio, print and internet, reach out to the audience at the store, at their homes, at their societies, educational institutions, work places, malls, departmental stores, traffic signals, etc. Only make sure you don't barge in and that you respect their privacy. For that, both the communication and the means of communication need to be innovative and yet non-intrusive. Kapferer through the example of Chivas Regal tells us how 'Chivas Life' became a turnaround for the brand, which was expressed through 360-degree via global advertising, major events, parties with celebrities, partnership with luxury resorts worldwide and product placement.

❖ **Changing the business model**

Many a times some brands do not work because the environment of the business model does not suit the particular brand. It could be that the segment is over-populated, or that innovations in a parallel segment have left this segment dry. It could also be that the distribution network of the current business model is not conducive to the growth of the brand. These and many other reasons call for a shift in the business model. Many a times, what makes an ailing brand more valuable is the new business model on which it can rely.

14.7 LARRY LIGHT'S SIX RULES FOR BRAND REVITALISATION

Larry Light is chairman-CEO of Arcature, a management-consulting company that advises companies on how to create, build and manage brands. He was the chief marketing officer of McDonald's and helped the company win the Ad Age's Marketer of the year title in 2004.

In his book, 'Six Rules for Brand Revitalization', co-authored by Joan Kiddon, he proposes the following rules for brand revitalisation:

Rule 1: Refocus the organisation.
Rule 2: Restore brand relevance.
Rule 3: Reinvent the brand experience.
Rule 4: Reinforce a results culture.
Rule 5: Rebuild brand trust.
Rule 6: Realise global alignment.

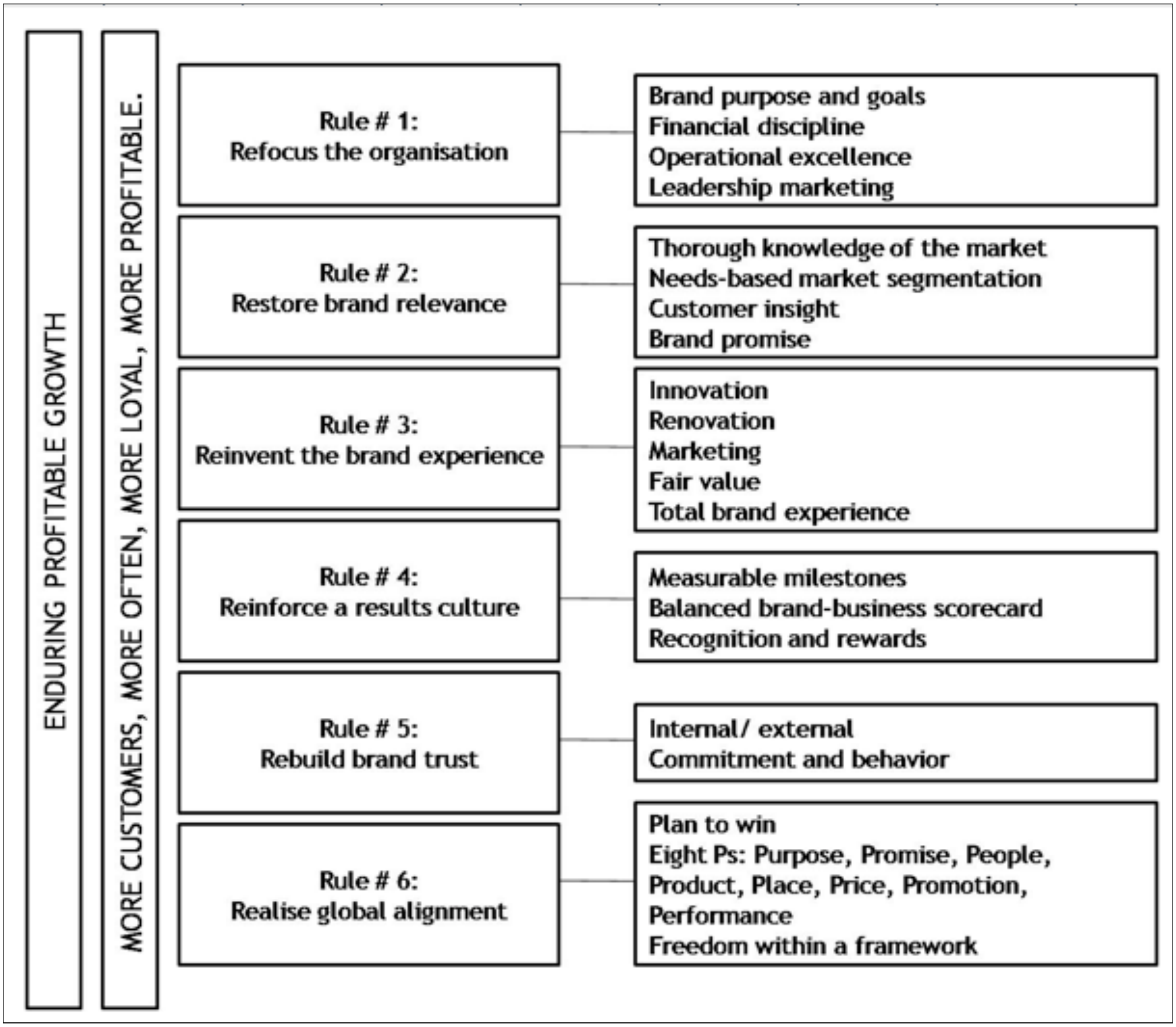

Fig. 14.5: Rules of brand revitalisation.

Source: Six Rules For Brand Revitalisation: Learn How Companies Like McDonald's Can Re-energize Their Brands, by Larry Light & Joan Kiddon.

14.8 SUMMARY

Almost all product categories have examples of brands which were once prominent and are now either on the decline or have completely disappeared. On the other hand, there are examples of many great brands, which have survived the storm of decline. Dabur has been growing stronger every year since 1884. Coca-Cola has been rocking since 1887. Godrej has only grown and diversified since 1898. Amul has been at the centre of the breakfast table since 1946. Brands such as these have not only survived, but also taken the lead.

According to Huffman and Wansink, "Mature brands are older brands and their value to a company is over time, not just from annual sales."

Kevin Keller defines mature brands by also adding a timeframe to it: "Mature brands have been out in the market for a number of years (at least 5 or 10) and have a certain level of awareness and image with its target market. If it didn't have that, it would be a developing or maturing brand."

For Hampton Bridwell, age is somewhat artificial because it really depends on the nature of the country and its economic development.

J. N. Kapferer, in his book, 'The New Strategic Brand Management' opines that brands decline when they lose their respect. He lists the following factors that accelerate the decline of brands: (1) When quality is forgotten (2) Beware of non-significant differences (3) Missing the new trend (4) The mono-product syndrome (5) Distribution factors (6) Weak communication
According to him ageing has two different meanings: Phasing and reflection.

Every brand has its own lifecycle. The standard brand lifecycle, according to Jean Marc Lehu, consists of birth, growth, maturity, decline and death. Ideally the brand rejuvenation should take place at the end of the maturity phase. In case, it does not happen then, the brand starts to decline and it eventually it dies.

Brand revitalisation, also called brand rejuvenation, refers to a company's attempts to regain lost equity of the brand. According to Keller, brand revitalisation is about brands returning to their roots and recapturing lost resources or establishing new source of equity. For Kapferer, revitalisation is about recreating a consistent flow of sales, putting the brand back to life, on the growth slope again. Larry Light says that brands do not die natural deaths, but are murdered through mismanagement. According to him, while some brands are beyond hope, others can be revitalised. Thus, decline may not necessarily mean an impending death. There are great chances that the brand can be resurrected.

J. N. Kapferer, in his book 'The New Strategic Brand Management' offers the following perspective on revitalisation of brands: (1) Revitalising by redefining the brand essence (2) Revitalising through new uses (3) Revitalising through distribution change (4) Revitalising through innovations (5) Revitalising through segmentation (6) Revitalising by contact with opinion leaders (7) Revitalising through 360-degree communication (8) Changing the business model.

In his book, 'Six Rules for Brand Revitalization', co-authored by Joan Kiddon, he proposes the following rules for brand revitalisation:

Rule 1: Refocus the organisation.
Rule 2: Restore brand relevance.
Rule 3: Reinvent the brand experience.
Rule 4: Reinforce a results culture.
Rule 5: Rebuild brand trust.
Rule 6: Realise global alignment.

14.9 ACTIVITY

1. Strategise the revitalisation of the carbonated drink, Gold Spot.

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14.10 SELF ASSESSMENT QUESTIONS

1. Explain the reasons behind the decline of brands.

2. What are ageing brands?

3. Explain revitalisation of brands.

Multiple Choice Questions

1. Brands which are forgotten also has ___________________
   a. Packaging
   b. Internal Meaning
   c. External Image
   d. External Meaning

2. ___________ proposes six rules for brand revitalisation.
   a. J. N. Kapferer
   b. David Aaker
   c. Larry Light
   d. Kane Keller

3. Which of the following statements are true:

   a. Kapferer says that ageing brands generally lose contact with the trendsetters in their category.

   b. The trendsetters are the tribes that prefigure change.

   c. Hush Puppies rejoined the fashion brandwagon in the United States in 1993.

d. Recreating the proximity through direct contacts and sharing emotional experience will be difficult, but it is an essential part of any comeback.

Answers

1. (B), 2. (C), 3. (A, B, C, D)

14.11 RECOMMENDED READING

Book

- The New Strategic Brand Management, by J. N. Kapferer.
- Six Rules for Brand Revitalization: Learn How Companies Like McDonald's Can Re-energize Their Brands, by Larry Light & Joan Kiddon.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 15

BRAND MANAGEMENT

Objective

After completing this chapter, you will be able to understand:

- To recap all brand management concepts covered in the previous chapters and to further understand other key topics, such as brand planning and brand's life script.

Structure:

15.1 INTRODUCTION

All through this book, we have been discussing about the various concepts that are integral to brand management. By now, you would have been quite acquainted with all the necessary tools required to manage a brand. You would also have a fair idea about the various theories proposed by different writers and researchers. Keeping all these in mind, let us also touch upon a few other essentials of brand management.

It is highly recommended that you also refer to the previous chapters (wherever applicable references are necessary) while going through the points that we will discuss in this chapter.

15.2 BRAND MANAGEMENT

Strategic brand management involves the design and implantation of marketing programmes and activities to build, measure, and manage brand equity.

The process comprises four key steps:

1. Identifying and establishing brand positioning and values
2. Planning and implementing brand marketing programmes
3. Measuring and interpreting brand performance
4. Growing and sustaining brand equity

Fig 15.1: Strategic Brand Management Process

Source: Kevin Lane Keller (2006), "Strategic Brand Management Process," in Perspectives of Modern Brand Management, ed. Dr Franz-Rudolf Esch.

Apart from the above, there is a new framework for understanding, managing, and organising the full scope of brand management, called the BLIP.

BLIP stands for Building, Leveraging, Identifying, and Protecting.

1. Building brands is the first step. It involves identifying what the brand represents (identity). Once the identity is decided upon, various marketing tools can be used to build and establish the brand.

2. Leveraging brands refers to the return of investment, and the decision as to how best the brand assets can be utilised to achieve this. Marketers may choose to leverage the brand's equity to create line extensions, brand extensions, or co-branded products.

3. Identifying refers to recognising what a brand means to the consumer. It includes identifying product associations as well as non-product associations.

4. Protecting refers to measures adopted to protect the brand from infringement by using legal measures such as trademark and copyrights.

All that have been discussed above are based on the foundation that comprise the most important concepts of brand management: Definition of a brand, brand name, brand attributes, brand positioning, brand identity, brand image, brand personality, brand awareness, brand loyalty, brand association, brand building, brand equity, brand extension, etc. (Refer to the relevant chapters to comprehend the concept further).

15.3 BRAND PLANNING

It takes a lot of resources and expertise to build a brand, which eventually becomes a valuable balance sheet asset. A broad vision, coupled with the right strategy to live up to the vision is what makes brands provide a good return on investment. Branding decisions no longer remain tactical, confined to just promotion and design. They consider the overall capabilities of the organisation, including the environmental factors affecting the brand. A brand plan is developed which states the brand objectives and specifies the strategy to achieve these objectives.

Brand planning provides a vision about how the resources can be effectively used to sustain the brand’s differential advantage. In the absence of a brand plan, brand managers resort to short-term tactical issues of advertising, package design and sales promotion only, thus impacting the success of the brand.

In short, ‘the brand plan’ is a documented expression that collates the information sought through defining the market and analysis, and becomes the road map for the brand planning process.

15.3.1 Objectives of a Brand Plan

The target of an effective brand plan is all about improving the following brand equity components:

- **Brand awareness:** In a world cluttered with so many brands in a single product category, it is important that awareness of the existence and availability of the brand is created. In the absence of awareness the brand is bound to get lost in the sea of several brands of which the consumer is aware.

- **Brand availability:** Awareness is not enough. Awareness can be of no good, if the brand is not effectively distributed. In a country like India with over 5700 towns and 6,25,000 villages, distribution plays a great role. Through effective marketing channels, comprising distributors, stockists, dealers and retailers, the brand has to reach the consumer.

- **Brand value:** The concept of brand value is integral to the product and the brand management process. Value, in simple terms, is the quality (positive or negative) that renders something desirable or valuable. In terms of brand, the value is what the buyers are willing to pay for. Buyers or consumers do not pay only for the product's physical properties. If that were the case, there would be nothing called brand preference. Consumers prefer a particular brand because they see the brand beyond the physical properties of the product.

- **Brand differentiation:** According to Kotler and Keller, brand differentiation happens when a product or service matches superior performance with an important customer benefit. The benefit may be tangible or intangible. A brand can differentiate itself either by product features, experience, service, or by the price. However, it is to be noted that in most cases features can be duplicated and price can be matched. Therefore, it is important that a brand differentiation strategy focuses on avoiding these pitfalls.

- **Brand loyalty:** Brand loyalty is a measure of the attachment that a customer has to a brand. It reflects how likely a customer will be to switch to another brand, especially when the brand makes a change, either in price or in product features.

- **Brand robustness:** The brand has to be robust in all aspects. From the product perspective, robustness includes quality and durability of the product, while from the view point of perception, robustness includes its image, identity, value, personality, etc.

- **Brand personality:** Brand personality is the "psychological nature of a particular brand as intended by its sellers, though persons in the market may see the brand otherwise (called brand image). These two perspectives compare to the personalities of individual humans: what we intend or desire, and what others see or believe." (AMA). According to Aaker, it is a set of human characteristics associated with the brand.

- **Brand connection:** To create brand loyalty it is necessary to first create brand connections. Largely, connections are created on the foundation of emotions, and therefore it is essential to build up an emotional connect with the consumer, who in turn will connect with the brand.

- **Brand associations:** Brand associations are the attributes of the brand and are related to the implicit and explicit meanings which a consumer associates with a specific brand.

All the above points have been covered in the previous chapters. For deeper understanding of the concepts, please refer to the respective chapters.

15.3.2 The Brand Plan

The brand plan is the vision document of the brand. It is a road map, a guiding light for the brand to move in the right direction. While every step mentioned here may not necessarily be applicable for all brands, it is important to know that in-depth analysis and accurate judgements are critical in every step that one chooses for the brand.

The brand plan is an amalgamation of research, definition, classifications and strategies that fall in line under the following steps:

Define the objectives

Objectives are all about setting the destination for the brand. Where do you want the brand to be, or rather go? For example, the objective could be to achieve a double-digit growth. If that is the case, set a timeline in the objective to achieve that growth. So, the objective could read something like this: "To achieve double-digit growth by the year 2020/in the year 2015." The objective, however, should be achievable and practical. It should be clear and should be comprehended by anyone reading the plan. Lastly, it should be measurable at the end of a certain period.

Define the need

What is your product going to do? What need is it going to fulfil? Here you need to give the reason for your brand to exist, or continue existing. Ask these questions: What is the need? How critical is the need? How much of this need is currently fulfilled? Where does your brand fit into this need dimension? It is important to note that if the need cannot be defined, it simply means that the brand is not needed. Then, it's time to go back to the drawing board and chart out alternatives.

Analyse the source of volume

Analyse the source from which your business can grow. Your business volume can either increase through inducing repeat purchase among the current users, or by adding new users. You have to decide who would be your primary and secondary source of volume. If your target is adding new users, then your current users will become the secondary source of volume, and vice versa.

Target audience

Hit the bull's eye! You can't go wrong here. Therefore, be very precise when you define who will use your brand. Get into the most intricate details about your target audience: Who they are? What they do? What are their tastes? Why they buy? What or who influences their buying decisions? What socio-economic class they belong to? What are their priorities? What is their lifestyle? In short, try to get the maximum information of your target audience. More the information, better the value added to your plan.

Marketing strategy statement

Now that you have defined your objectives and needs, and analysed your source of volume and target audience, it is time to create a succinct marketing strategy statement. Remember that it should ideally not exceed a single, crisp line. Too many words and sentences may only mean an absence of clarity. It is about what you want your marketing to do. For example, if you want to introduce brand of shoes that has an innovative feature of air-passage, your marketing strategy statement should state, 'The basic marketing strategy is to introduce a brand of well-ventilated shoes.'

Positioning strategy statement

How do you want your brand to fit into the consumer's mind? Rather, how are do you plan to create a slot for your brand in the consumer's mind? The positioning statement is one single statement that states how you wish you brand to be perceived by the target audience. To continue with the above example of the shoes, the positioning statement would be, 'This brand of shoes seeks to be perceived as one that cares for the feet.'

Associated strategies

The basic roadmap is ready. However, before you roll out the brand there are other critical points to be considered. What is the product going to deliver? How should it be dressed? What should be the price? How will it reach the consumer? How will the consumer know about it? How will information reach the consumer? These are basic, but extremely important questions to be answered. It is therefore necessary to consider the following associated strategies:

❖ **Product strategy**

Every product has its primary functions that deliver certain benefits to the consumer. These primary functions should be considered along with all the other product promises. These promises should be expressed as a contract to the consumer. For example, the primary function of a hair oil product is offering nourishment. However, it also smoothens the hair, strengthens the roots, and keeps off dandruff. All these functional benefits and promise should be translated into a contract that is consistent with your model and market definition.

- **Packaging strategy**

The design of the packaging – be it the sleek look of a luxury brand, or the rugged appearance of a chemical gallon – reflects the personality of the product, and the position of the brand in the market. Packaging plays a very vital role in building a relationship between a brand and the end user, in some cases, long after the sale has been made. A good packaging is informative. If necessary information is difficult to find on the pack, or if it is not legible, or not available at all, the purpose of such packaging is defeated. In the case of products that are marketed through consumer channels, the packaging is the last opportunity to convince the consumer to buy the product.

- **Pricing strategy**

In a fiercely competitive market where price wars are common, it is very important that an effective pricing strategy is formulated. What is the base of your brand's pricing? Is it based on the market conditions, or competition, or cost? Whatever be the base, it should be consistent with the positioning and image.

- **Distribution strategy**

How will your brand reach the consumer? What are the appropriate channels? Will it go through the traditional marketing channel comprising distributors, stockists, dealers and retailers, or will it go through direct marketing channels? It is very important to decide how your brand will reach the consumer, because there may not be too many hardcore loyalists, who may go out of their way to search for your product. In most cases, consumers may just settle for another brand.

- **Advertising strategy**

Now that you have already set the network through which your brand will reach the consumer, next in line is what will prompt your consumer to reach out for the brand. Information. However, cut-and-dry information is not enough. It has to generate appeal. That is where advertising comes into the picture. Advertising is that communication aimed at persuading consumers to buy the brand. An effective advertising strategy will communicate the brand promise in a way that is creative enough to persuade the target audience. It also will set the tone for conveying the brand image and personality through various media.

❖ **Media strategy**

Media strategy focuses on the vehicles of communications; basically, how will the advertising communication reach the target audience. Selecting the right medium is important. The brand manager, along with the media agency, should draw a plan that opts for all the media vehicles or select an appropriate mix from the following: print (newspapers, direct mailers, posters, pamphlets, etc), electronic (television, radio), internet, OOH (hoardings, kiosks, commute vehicles, etc.)

❖ **Sales promotion strategy**

An appropriate strategy for sales is also very necessary, as avoiding it would only mean losing out on the competition that places a lot of importance on consumer and trade promotions. What is your objective of a sales promotion? Is it to initiate trial, or repurchase, or to increase usage? How will you promote it - regionally, locally, or nationally? Are you focusing on festive season, or will it be an end-of-season sale? What are your objectives for trade promotion? What kind of incentives would you offer in order to ensure that your brand is pushed over the counter? Consider all these factors while devising your sales promotional strategy.

❖ **Merchandising strategy**

The merchandising outlet is the defining place, where consumers will interact with many brands. Therefore, the merchandising strategy should be well thought of. Which are the kinds of outlets you would want your brand to be made available in? Do you want to place your brand in a general store or in a departmental store, or both? How would you want the brand to be placed in the outlet? Which shelf should it occupy? Which section of the shop or store you want it to be seen in? A proper strategy will consider all these aspects.

❖ **Testing strategy**

Now that your brand is made available to the respective consumers, you should carry out tests to analyse how the brand is performing in the market place. Tests could include market research, advertising research, consumer research, etc.

15.4 BRAND'S LIFE SCRIPT

According to Kapferer, a brand acts as a genetic programme. What is done at birth exerts a long-lasting influence on market perceptions. This genetic programme is embedded into the brand with relevant strategies and analysis, which together constitute the brand plan. As mentioned earlier, the brand plan is a vision document that looks at the long-term prospects of the brand. Therefore, it is vital to thoroughly draft the plan, also taking into consideration the future aspects that may influence the brand's prospects. Once done, we need to stick to the birth intent of the brand, the genetic programme.

As the brand is nurtured, it grows. However, the life script of a brand changes when there is complete disruption in the environment, or a complete change in the leadership or ownership of the brands. The embedded genetics at that time may not be programmed to fight off the unexpected development.

Nokia was the market leader in mobile instruments. However, when Samsung entered the market with its revolutionary android platform, Nokia suffered a dent.

Nokia's birth intent was to connect people. It focused on the need for people to be connected. When Samsung entered the market, its birth intent proposed something more than just connecting. It also proposed the added value of interaction and interactivity. Nokia had to become the challenger. It later faded into oblivion.

S. A. Chunawalla offers the example of Coke and Pepsi to explain this phenomenon: Coke was a leader worldwide, and Pepsi a challenger. If these roles are reversed, both these brands are affected. A brand should be defined only in terms of leader and challenger scripts. Coke has steered its script towards human cohesion, and Pepsi is driven by a sense of distinction. Coke always tries to bring people together and Pepsi will never try from defying the established order.

Whatever the issue with the life script, it should be noted that the brand still has the option of reviving itself by reviewing its positioning. The brand is then set on the path of revival: refer Chapter 9 (Repositioning) and Chapter 14.

15.5 SUMMARY

Strategic brand management involves the design and implantation of marketing programmes and activities to build, measure, and manage brand equity.

The process comprises four key steps:

1. Identifying and establishing brand positioning and values
2. Planning and implementing brand marketing programmes
3. Measuring and interpreting brand performance
4. Growing and sustaining brand equity

Apart from the above, there is a new framework for understanding, managing, and organising the full scope of brand management, called the BLIP.

BLIP stands for Building, Leveraging, Identifying, and Protecting.
It takes a lot of resources and expertise to build a brand, which eventually becomes a valuable balance sheet asset. A broad vision, coupled with the right strategy to live up to the vision is what makes brands provide a good return on investment. Branding decisions no longer remain tactical confined to just promotion and design. They consider the overall capabilities of the organisation, including the environmental factors affecting the brand. A brand plan is developed which states the brand objectives and specifies the strategy to achieve these objectives.

The target of an effective brand plan is all about improving the following brand equity components: brand awareness, brand availability, brand value, brand differentiation, brand loyalty, brand robustness, brand personality, brand connection, and brand associations.

The brand plan is the vision document of the brand. It is a road map, a guiding light for the brand to move in the right direction. While every step mentioned here may not necessarily be applicable for all brands, it is important to know that in-depth analysis and accurate judgements are critical in every step that one chooses for the brand.

The brand plan is an amalgamation of research, definition, classifications and strategies that fall in line under the following steps: (1) Define the objectives (2) Define the need (3) Analyse the source of volume (4) Target audience (5) Marketing strategy statement (6) Positioning strategy statement (7) Associated strategies.

According to Kapferer, a brand acts as a genetic programme. What is done at birth exerts a long-lasting influence on market perceptions. This genetic programme is embedded into the brand with relevant strategies and analysis, which together constitute the brand plan. As mentioned earlier, the brand plan is a vision document that looks at the long-term prospects of the brand. Therefore, it is vital to thoroughly draft the plan, also taking into consideration the future aspects that may influence the brand's prospects. Once done, we need to stick to the birth intent of the brand, the genetic programme.

15.6 ACTIVITY

1. Assess the life script of Nokia.

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15.7 SELF ASSESSMENT QUESTIONS

1. Define brand planning and state the objectives of a brand plan.

2. Explain brand plan.

3. What is a brand life script?

Multiple Choice Questions

1. Strategic brand management comprises of __________ steps.

   a. 4
   b. 2
   c. 10
   d. 3

2. BLIP stands for ___________

   a. Branding, Logotype, Impact, Performance
   b. Building, Leveraging, Identifying, Protecting
   c. Branding, Logotype, Intelligence, Performance
   d. Branding, Logotype, Impact, Passion

3. Which of the following statements are true:

   a. Value, in simple terms, is the quality (positive or negative) that renders something desirable or valuable.
   b. Value is whatever is valuable.
   c. Values create a brand plan.
   d. In terms of brand, the value is what the buyers are willing to pay for.

Answers
1. (A), 2. (B), 3. (A, D)

15.8 RECOMMENDED READING

Book

- Branding and Sustainable Competitive Advantage, by Avinash Kapoor & Chinmaya Kulshrestha.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 16

BRAND PROTECTION

Objective

After completing this chapter, you will be able to understand:

- The various legal measures adopted and practiced in order to protect brands.

Structure:

16.1 INTRODUCTION

Brands are an integral part of consumers' lives. While they fulfil the responsibility of offering the best to consumers through quality, consistency and availability, they are highly accountable to the consumers and themselves too in many ways. This accountability concerns ensuring that consumers get the right product and the real brand. In other words, it is the responsibility of the brand custodians to ensure that consumers do not become preys of duplication and piracy. The obvious question is, why can't consumers be cautious during their purchases? Consumers may, to an extent, exercise caution. However, what if they buy a duplicate which appears to be as close as the original? Therefore, a responsible brand takes all precautions and steps to ensure that consumers do not have to face the unfortunate consequence of using a pirated or duplicated version. On the other hand, wilful ignorance of this responsibility will only lead the brand to irreversible destruction. Because, trust once lost, is lost forever.

This chapter discusses the various problems that brands face with regard to protection, and the various measures that brands have to take to protect themselves.

16.2 INFRINGEMENT AND INTELLECTUAL PROPERTY RIGHTS

To understand protection, it is essential to understand infringement.

The legal dictionary defines infringement as the encroachment, breach, violation of a right, law, regulation, or contract.

According to Gerald Hill and Kathleen Hill, infringement is: "(1) a trespassing or illegal entering. (2) in the law of patents (protected inventions), and copyrights (protected writings of graphics), the improper use of a patent, writing, graphic or trademark without permission, without notice, and especially without contacting for payment of a royalty."

Protection of brands come under the Intellectual Property Rights (IPR), which include protection of inventions, literary and artistic works, and symbols, names and images used in commerce. Intellectual property rights allow creators to benefit from their creations. According to the World

Intellectual Property Organisation (WIPO, Geneva-based agency of the UN), "by striking the right balance between the interests of innovators and the wider public interest, the IP system aims to foster an environment in which creativity and innovation can flourish."

Intellectual property is divided into two categories: (1) Industrial property (2) Copyright.

1. **Industrial property:** Patents for inventions, trademarks, industrial designs and geographical indications. The design of a brand of mobiles, for example is patented, and thus protected under the intellectual property rights. Similarly, the logos of brands are trademarked and thus protected.

2. **Copyright:** Literary works (novels, poems, plays, etc.), films, music, artistic works (drawings, paintings, photographs and sculptures) and architectural designs. Thus, an advertising film for a brand, including its music, jingle and certain dialogues, taglines, etc. can be copyrighted. The right concerning copyright also include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programmes.

The benefits of intellectual property rights are manifold, few of which are worth noting:

- The intellectual property system balances the interests of innovators as well as the general public.

- Intellectual property rights encourage creators and inventors to fearlessly perform as they realise that their works are secured and protected.

- Once a secure environment is established, they will focus on creating and inventing, leading to newer technology and innovations, and in turn creating jobs and industries.

- WIPO states that an efficient and equitable intellectual property system can help all countries to realise intellectual property's potential as a catalyst for economic development and social and cultural well-being.

- The benefits of intellectual property system fuels researchers and inventors to continue inventing and innovating and researching, thus helping the world have newer products and a better quality of life.

- As for consumers, the intellectual property system inspires believability, trust and confidence in the various products and brands that they use in their daily lives.

16.3 PATENTS

WIPO defines patents as, "a document, issued, upon application, by a government office (or a regional office acting for several countries), which describes an invention and creates a legal situation in which the patented invention can normally only be exploited (manufactured, used, sold, imported) with the authorisation of the owner of the patent. Invention means a solution to a specific problem in the field of technology. An invention may relate to a product or a process. The protection conferred by the patent in limited in time (generally 20 years)."

The United States recognises three types of patents: utility patents, design patents and plant patents.

- Utility patents are available for inventions which are novel, useful and non-obvious. It is obtained for the utilitarian or functional aspects of an invention. An example of utility infringement in the case of brands can be found in the Apple vs. Samsung legal tangle, in which Apple accused Samsung of violating: (1) Utility Patent 163: Enlarging documents by tapping the screen (2) Utility Patent 38: 'Bounce-back' feature when scrolling beyond the edge of a page (also known as rubber band patent) (3) Utility Patent 915: Distinguishing between single touch and multi-touch gestures (example, pinch to zoom).

- Design patents are obtained for the aesthetic appearance of an invention and can be obtained on the basis that the invention is novel, non-obvious and ornamental. It is not applicable for designs that serve a primarily functional purpose. Continuing the example of Apple vs. Samsung, Apple accused Samsung of infringing upon the following design patents: (1) Design Patent 087: Ornamental design of the iPhone (white colour) (2) Design Patent 677: Ornamental design of the iPhone (black colour) (3) Design Patent 305: Rounded square icons on interface.

- Plant patents are obtained for the invention or discovery of a distinct and new variety of plants, which may be asexually reproduced.

The Patent System in India is governed by the Patents Act 1970 (No. 39 of 1970) as amended by the Patents (Amendment) Act, 2005 and the Patents Rules, 2003, as amended by the Patents (Amendment) Rules 2006.

The office of the Controller General of Patents, Designs & Trademarks (CGPDTM) is located at Mumbai. The head office of the patent office is at Kolkata and its branches are located at Chennai, New Delhi and Mumbai.

The inventor or creator can apply for patent either individually or jointly with another, or his/ her/ their assignee or legal representative of any deceased inventor or his/ her assignee.

The types of application for patent include:

1. Ordinary application

2. Application for patent of addition (granted for improvement or modification of the already patented invention, for an unexpired term of the main patent).

3. Divisional application (in case of plurality of inventions disclosed in the main application).

4. Convention application, claiming priority date on the basis of filing in convention countries.

5. National phase application under PCT.

India is a member-state of World Intellectual Property Organisation (WIPO) and also a member of the following international organisations and treaties in respect of patents:

- World Trade Organisation
- Convention establishing World Intellectual Property Organisation
- Paris Convention for the Protection of Industrial Property
- Patent Cooperation Treaty (PCT)
- Budapest Treaty

HISTORY OF INDIAN PATENT SYSTEM

The history of Indian Patent System as described on the website of Controller General of Patents Designs and Trademarks, dates back to 1856:

1856

The Act VI of 1856 on protection of inventions based on the British patent law of 1852 Certain exclusive privileges granted to inventors of new manufacturers for a period of 14 years.

1859

The Act modified as Act XV; patent monopolies called exclusive privileges (making, selling and using inventions in India and authorizing others to do so for 14 years from date of filing specification).

1872

The Patterns and Designs Protection Act' (Act XIII of 1872).

1883

The Protection of Inventions Act.

1888

Consolidated as the Inventions & Designs Act.

1911

The Indian Patents & Designs Act.

1972

The Patents Act (Act 39 of 1970) came into force on 20th April 1972.

1999

On March 26, 1999 Patents (Amendment) Act, (1999) came into force from 01-01-1995.

2002

The Patents (Amendment) Act 2002 came into force from 20th May 2003.

2005

The Patents (Amendment) Act 2005, effective from 1st January 2005.

16.4 TRADEMARKS

A trademark is a recognisable sign (word, name, symbol or icon) used by creators of goods and services to identify them and to distinguish them from those made by others.

From the brand perspective, trademark protection:

- Helps identify one brand from another.

- Offers owners the exclusive right to use the protected mark or symbol on their products.

- Also authorises the owners to permit others to use the mark or symbol in return for some payment.

- Promotes initiative and enterprise worldwide by rewarding their owners with recognition and financial profit.

- Keeps off unfair competitors who use counterfeits, or similar distinctive signs to market inferior or different products or services.

- Facilitates cross-border trade between different countries and states.

- Enables individuals or organisations with skills and enterprise to produce and market goods and services in a fair and just market environment.

- Is legally enforced by courts that have the authority to prevent trademark infringement.

A trademark that is similar to one already in use and that which is likely to cause confusion or mistake cannot be protected by registration. A trademark registration can be challenged initially if there is another user who can prove its usage widely.

Before 1940, protection of trademarks was governed by Common Law. Also known as Case Law or precedent, Common Law was developed by judges, as opposed to statutes adopted through the legislative process or regulations issued by the executive branch. The Trademarks Registry came into existence in 1940 with the Trademarks Act, 1940 (5 of 1940) becoming the first statute law on trademarks in India.

Today, after several amendments and revisions, the Trademarks Registry administers the Trademarks Act 1999 and the rules therein. The registry is also a resource and information centre and is a facilitator in matters relating to trademarks in the country. According to the website of the Office of the Registrar of Trademarks, "the objective of the Trademarks Act, 1999 is to register trademarks applied for in the country and to provide for better protection of trademark for goods and services and also to prevent fraudulent use of the mark."

The current law of trademarks contained in the Trademarks Act, 1999 is in harmony with two major international treaties on the subject – The Paris Convention for Protection of Industrial Property and TRIPS Agreement to both of which India is a signatory.

SALIENT FEATURES OF THE TRADEMARK ACT, 1999

The salient features of this Act briefly are as set out in the Statement of Objects and Reasons annexed to the Trademarks Bill:

a. Providing for registration of trademark for services, in addition to goods;

b. Registration of trademarks, which are imitation of well known trademarks, not to be permitted, besides enlarging the grounds for refusal of registration mentioned in clauses 9 and 11. Consequently, the provisions of defensive registration of trademarks are proposed to be omitted;

c. Amplifications of factors to be considered for defining a well known mark;

d. Doing away with the system of maintaining registration of trade marks in Part A and Part B with different legal rights, and to provide only a single register with simplified procedure for registration and with equal rights;

e. Simplifying the procedure for registration of registered user and enlarging the scope of permitted use;

f. Providing enhanced punishment for the offences relating to trademarks on par with the Copyright Act, 1957 to prevent the sale of spurious goods;

g. Providing an Appellate Board for speedy disposal of appeals and rectification applications which at present lie before High Courts;

h. Transferring the final authority relating to registration of certification trademarks to the Registrar instead of the Central Government;

i. Providing enhanced punishment for the offences relating to trademarks on par with the present Copyright Act, 1957, to prevent the sale of spurious goods;

j. Prohibiting use of someone else's trademarks as part of corporate names, or name of business concern;

k. Extension of application of convention country to include countries which are members of Group or union of countries and Inter-Governmental Organisations;

l. Incorporating other provisions, like amending the definition of "trademarks; provisions for filing a single application for registration in more than one class, increasing the period of registration and renewal from 7 to 10 years; making trademark offences 9 cognizable, enlarging the jurisdiction of Courts to bring the law in this respect on par with the copyright law, amplifying the powers of the Court to grant ex parte injunction in certain cases and other related amendments to simplify and streamline the trademark law and procedure.

Source: Draft Manual For Trademark Practice & Procedure (Government of India, Controller General of Patents, Designs and Trademarks, Department of Industrial Policy and Promotion, Ministry of Commerce and Industry.

Salient Features of Trademark Registrations

Not all marks or signs (word, name, symbol or icon) can be registered. There are certain requirements that have to be met in order that a mark is registered ® and later trademarked™.

Let us understand from India's perspective, as to which marks can be registered and confirmed as trademarks, and which cannot.

Marks that can be registered

- Marks which are clearly different and distinguishable from other marks.
- Marks which have some connection to the goods and services sold by the entity.
- Marks which have a unique graphical representation.

Marks that cannot be registered

- Which contain elements that may hurt religious sentiments.
- Which are considered obscene or likely to give rise to scandals.
- Which create confusion among consumers with regard to the nature of products and ownership.
- Which are prohibited under the Emblems and Name Act, 1950 that seeks to prevent improper use of trademarks.

Rejection on absolute grounds

Marks for which the registration of trademarks can be absolutely refused to the registrant include those:

- Which are not clearly distinguishable and do not have a unique representation, which is likely to cause confusion among consumers of goods and services in question.
- Which describe product quality, which may or may not be true.
- Which are already used customarily in that particular trade or language, and therefore can be confused with other products.
- Which contain generic terms and that are used internationally in a non-proprietary capacity.
- Which create confusion through deception.

- Which may hurt religious and personal sentiments of people from any section or class in India.
- Which are similar or identical to the actual shape of the product and can lead to confusion.
- Which indicate the nature of the product, in a way that causes confusion.
- Which artificially increase the perceived and monetary value of the product.
- Which are considered obscene.

Rejection on relative grounds

- Marks which are either identical or very similar to existing trademarks for products and services in the same or identical trade.
- Marks which are either identical or very similar to existing trademarks, but which are registered in a different trade. In India, such a case of trademark registration is rejected only if there is an opposition from the existing owner of the trademark in question.

16.5 COPYRIGHT

Copyright laws provide protection for the literary and artistic creations or works of authors, artists and other creators. Works covered by copyright include, but are not limited to novels, poems, plays, reference works, newspapers, advertisements, computer programs, databases, films, musical compositions, choreography, paintings, drawings, photographs, sculpture, architecture, maps and technical drawings.

The creators of these works which are copyrighted are generally referred to as 'right holders'. They have the right to use or authorise others to use the work on agreed terms. According to WIPO, these right holders can authorise or prohibit:

- Its production in all forms, including print form and sound recording.
- Its public performance and communication to the public.
- Its broadcasting.
- Its translation into other languages.
- Its adaptation, such as from a novel to a screenplay for a film.

The economic right relating to copyright are of limited duration – approximately till around 50 years after the creator's death, depending on the governing copyright laws of different countries.

The benefits of copyright are immense. Apart from fostering creativity and innovation, the right gives authors and creators incentives in the form of recognition and financial benefits. This not only rewards their works, but also encourages them to keep creating and innovating. WIPO observes that "by ensuring the existence and enforceability of rights, individuals and companies can more easily invest in the creation, development and global dissemination of their works. This, in turn, helps to increase access to and enhance the enjoyment of culture, knowledge and entertainment the world over, and also stimulates economic and social development."

In India, the Copyright Act, 1957 came into effect from January 1958, followed by amendments in 1983, 1984, 1992, 1994, 1999, and 2012.

According to the Copyright Office, Government of India, the amendments were made for the following reasons:

- To confirm with the World Intellectual Property Organisation Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT).

- To protect the music and film industry and address its concerns.

- To address the concerns of the physically disabled and protect the interests of the author of any work.

- Incidental changes.

- To remove operational facilities and for enforcement of rights.

- Amendments to the Copyright Act in 2012 are extensions of the copyright protection in the digital environment.

The Indian Copyright Act today is compliant with most international conventions and treaties in the field of copyrights. India is a member of the Berne Convention of 1886 (as modified at Paris in 1971), the Universal Copyright Convention of 1951 and the Agreement on Trade Related Aspects of Intellectual Property Rights (TRIPS) Agreement of 1995. Though India is not a member of the Rome Convention of 1961, the Copyright Act, 1957 is fully compliant with the Rome Convention provisions.

16.6 INDUSTRIAL DESIGNS

Industrial designs refer to ornamental or aesthetic aspects of an article, and may consist of three-dimensional features, such as shape or surface of an article, or two-dimensional features, such as patterns, lines or colour.

The application of industrial designs comprises a wide range of industrial products and handicrafts: technical instruments, medical instruments, watches, jewellery, house wares, electrical appliances, automobiles, architectural structures, textile designs, etc.

To be registered and protected, an industrial design must be ‘new’ or ‘original’. New or original means that no identical or very similar design is known to have existed previously.

Industrial designs, such as the design of a computer monitor, or the shape of the mobile phone, or simply the texture of hairbrush, are what make the goods or articles attractive and appealing, thus adding to the commercial value of a product.

16.7 GEOGRAPHICAL INDICATION

According to WIPO, “A geographical indication is a sign used on goods that have a specific geographical origin and possess qualities or a reputation due to that place of origin.”

For instance, Champagne comes from the Champagne region of France and Scotch is associated with Scotland. Other examples include Basmati rice from India, Columbian coffee, Port wine from Portuguese, Tequila from Mexico, Roquefort cheese from France, Parma Ham from Italy, Ouzo from Greece, etc.

Geographical indications are protected in accordance with international treaties and national laws under a wide range of concepts, including:

- Special laws for the protection of geographical indications or appellations of origin.
- Trademark laws in the form of collective marks or certification marks.
- Laws against unfair competition.
- Consumer protection laws, or.
- Specific laws or decrees that recognize individual geographical indications (WIPO).

16.8 SUMMARY

The legal dictionary defines infringement as the encroachment, breach, violation of a right, law, regulation, or contract.

Protection of brands come under the Intellectual Property Rights (IPR), which include protection of inventions, literary and artistic works, and symbols, names and images used in commerce.

Intellectual property is divided into two categories: (1) Industrial property (2) Copyright.

1. **Industrial property:** Patents for inventions, trademarks, industrial designs and geographical indications. The design of a brand of mobiles, for example is patented, and thus protected under the intellectual property rights. Similarly, the logos of brands are trademarked and thus protected.

2. **Copyright:** Literary works (novels, poems, plays, etc.), films, music, artistic works (drawings, paintings, photographs and sculptures) and architectural designs. Thus, an advertising film for a brand, including its music, jingle and certain dialogues, taglines, etc. can be copyrighted. The right concerning copyright also include those of performing artists in their performances, producers of phonograms in their recordings, and broadcasters in their radio and television programmes.

WIPO defines patents as, "a document, issued, upon application, by a government office (or a regional office acting for several countries), which describes an invention and creates a legal situation in which the patented invention can normally only be exploited (manufactured, used, sold, imported) with the authorisation of the owner of the patent. 'Invention means a solution to a specific problem in the field of technology. An invention may relate to a product or a process. The protection conferred by the patent in limited in time (generally 20 years)."

The Patent System in India is governed by the Patents Act 1970 (No.39 of 1970) as amended by the Patents (Amendment) Act, 2005 and the Patents Rules, 2003, as amended by the Patents (Amendment) Rules 2006.

A trademark is a recognisable sign (word, name, symbol or icon) used by creators of goods and services to identify them and to distinguish them from those made by others.

Copyright laws provide protection for the literary and artistic creations or works of authors, artists and other creators. Works covered by copyright include, but are not limited to novels, poems, plays, reference works, newspapers, advertisements, computer programs, databases, films, musical compositions, choreography, paintings, drawings, photographs, sculpture, architecture, maps and technical drawings.

Industrial designs refer to ornamental or aesthetic aspects of an article, and may consist of three-dimensional features, such as shape or surface of an article, or two-dimensional features, such as patterns, lines or colour.

According to WIPO, "A geographical indication is a sign used on goods that have a specific geographical origin and possess qualities or a reputation due to that place of origin."

16.8 ACTIVITY

1. Prepare a detailed report of any legal case study related to infringement of intellectual property.

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16.9 SELF ASSESSMENT QUESTIONS

1. What is IPR?

2. Discuss patents and trademarks.

3. What is copyright? Explain in detail.

Multiple Choice Questions

1. The United States recognises three types of patents: ____________.

    a. Copyright, geographical & design
    b. Utility, design & plant
    c. Usefulness, art and trees
    d. Patents, property & utility

2. A geographical indication is a_________ used on goods that have a specific geographical origin

    a. Dent
    b. Map
    c. Place
    d. Sign

3. Which of the following statements are true:

    a. Intellectual property rights allow creators to benefit from their creations.

    b. Trademark offers owners the exclusive right to use the protected mark or symbol on their products.

    c. To be registered and protected, an industrial design must be ‘new’ or ‘original’.

    d. The economic right relating to copyright are of limited duration – approximately till around 50 years after the creator’s death, depending on the governing copyright laws of different countries.

4. Which of the following statements are false:

Marks that cannot be registered are those:

a. Which contain elements that may hurt religious sentiments.

b. Which are considered obscene or likely to give rise to scandals.

c. Which do not create confusion among consumers with regard to the nature of products and ownership.

d. Which are not prohibited under the Emblems and Name Act, 1950 that seeks to prevent improper use of trademarks.

Answers
1. (B), 2. (D), 3. (A, B, C, D), 4. (C, D)

16.11 RECOMMENDED READING

- http://www.wipo.int/edocs/pubdocs/en/intproperty/450/wipo_pub_450.pdf

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 17

BRANDS: THE INDIAN PERSPECTIVE

Objective

After completing this chapter, you will be able to understand:

- To trace in brief the history of brands in India and understand brands from the Indian perspective.

Structure:

17.1 INTRODUCTION

India is a brand in itself with so many brands having made its mark here, some Indian, some multinational. While there were brands which were born to fight British imperialism, others meant pure business. While so many Indian brands mimicked the west, there were some western brands that tried to become Indian. While there was a time when the only touch points for a brand to come in contact with the consumer was the shop and advertisements in newspapers, today even a one-rupee chocolate has a whole new mix strategized to connect with Indian consumers. Times have changed. Brands have changed. Consumers have changed. Strategies have changed. All because, India has changed.

17.2 PRE-1950s and SWADESHI BRANDS

Branding in India is closely entwined with the evolution of advertising in this part of the world. To begin with, over a hundred years before independence, the per capita income barely saw any growth, and, as R. Gopalkrishnan (Director, Tata Sons Limited) puts it in his foreword for 'AdKatha – The Story of Indian Advertising,' "Population growth just about kept pace with the GDP, and the Indian market was an agglomeration of sub-markets."

Barely anyone understood the word 'consumption' and despite a large population, advertising found it difficult to identify consumers which it could influence. Thus, most advertising and branding at that time focused on a handful of elite. However, on the other hand, even during those times, novel ways were ideated to increase consumerism. One such example is of Dalda. Prakash Tandon (Chairman, HLL), in his book, 'Punjabi Century' describes how the traditional wandering minstrels (folk song and dance performers, storytellers) of Rajasthan were used to communicate the message of Dalda. It is known that Tandon and Maurice Zinkin, a former ICS officer, roped in an anthropologist, Evelyn Woods, who incorporated Dalda in the Rajasthani Pichwais (Paintings on cloth) that these minstrels used for centuries to tell stories from the Ramayana or Mahabharata. The minstrels then would wander from market to market entertaining their audiences, tactfully and creatively weaving Dalda into these stories. It would be appropriate to conclude that this marked the entry of sociologists and psychologists into advertising, marketing and branding.

The history of advertising in India, according to Anand Halve and Anita Sarkar, can be perhaps traced to two dates: the first is 1780, when James Augustus Hicky started the Bengal Gazette, India's first newspaper, and the more likely date 1905, when B. Dattaram set up a small advertising agency in Girgaum (Bombay), the oldest agency still in existence. Later, the Indian advertising industry started truly taking shape with the entry of agencies such as Stronach and DJ Keymer. However, according to Anand and Anita, the first agency to bring in international standards of professionalism to India, was J. Walter Thompson (JWT), after it opened its office in Mumbai in 1929.

While most advertising agencies at that time - and even now - focused on creative brilliance, Anand and Anita say that Larry Stronach had few credentials to be an advertising pioneer. According to them, he, perhaps, pioneered the concept of market research in India. They have quoted him in their book 'AdKatha: The Story of Indian Advertising': "I had little experience of advertising in India, but my consuming passion was to sell to 300 million Indians. I reasoned that if I could persuade each of them to spend just one rupee each on advertised products, this would mean ` 300 million a year."

Further, to substantiate the claim that he has been one of the formidable forces of marketing research in India, they describe his journey: 'In order to gain an understanding of the Indian market he took a year off and, buying himself a specially designed Standard Saloon car to negotiate the rough roads, he drove 7,500 miles from Peshawar to Tuticorin, and from Quetta to Kolkata. The wealth of market information he collected constituted the first market research study ever done in the country. Stronach compiled his findings into a report which he used to persuade advertisers in Mumbai and the UK to give him their business. His biggest account, Wakefield's Castor Oil would have an annual budget of ` 10,000 (Stronach's research trip also resulted in another unexpected outcome: a set of road maps of India that he, with characteristic enterprise, drew up for the Automobile Association of India.)'

Similarly, among the Indian enterprises, Tata Group, with its slogan, 'Indian capital, Indian management, Indian labour.' led the race among Indian industries by being involved in everything from soaps to steel.

Just as the burgeoning of advertising and the impact that Tata Group had on the Indian markets, so also were the many upheavals and one-upmanship that led to a revolution in industry, commerce, advertising, marketing and branding. This also included the Great Depression and the Satyagraha Movement.

August 7, 1905, Calcutta Town Hall: The Boycott Resolution was passed. The pledge was taken to boycott all foreign goods. The seeds of the Swadeshi Movement were sown. The resolution included boycotting foreign cloth, salt, sugar, government schools and colleges, government service, government titles, etc. This swadeshi spirit also laid the foundation for the establishment of swadeshi textile mills, soap and match factories, tanneries, banks, insurance companies and shops. And this led to the entry of Indian brands – made in India, for Indians.

Ratnam Pens, also known as Swadeshi Pens, was launched by K. V. Ratnam in the year 1932. The legend goes that when Gandhiji urged K. V. Ratnam to manufacture something utilitarian, he launched this brand of pens to support the revolution against foreign goods. Mahatma Gandhi heralded the creation of this swadeshi pen as a revolutionary expression of the swadeshi movement.

The Swadeshi Movement also inspired several others, such as Abbas Abdul Rahim Hajoori who, in 1923, launched Sosyo, a soft drink. Abbas used to bottle a British soft drink, Vimto, when the swadeshi calling came. He gave up his job at Vimto and that marked the beginning of Sosyo.

The movement was so successful that even something as simple as tea was labelled as swadeshi. While Lipton portrayed its tea as a part of British culture and royalty, the Indian Teamarket Expansion Board added the swadeshi tag to tea.

Fig 17.1: Left to right: Image 1 & 2 – Lipton Tea print advertisements, image 3 & 4 – print advertisements issued by Indian Teamarket Expansion Board

Source: 'From an Imperial Product to a National Drink: The Culture of Teas Consumption in Modern India', 2005, Professor Gautam Bhadra.

The Khadi, synonymous with Swaraj, became an iconic brand during the freedom struggle. Mahatma Gandhi sparked the movement for Khadi, equating spinning and weaving to the ideology of self-reliance and self-governance. Mahatma Gandhi experienced the feelings of alienation and discomfort that the adoption of Western clothes often entailed. These feelings became most apparent to Gandhi during his years as a lawyer and civil rights activist in South Africa (1893 -1914) where he became the target of racism in spite of his civilised apparel. At the same time, he was impressed by early nationalist critiques of colonialism in India, which attributed India's poverty to the decline of the local textile industry and the mass importation of mill cloth from Europe. A growing disillusionment with Western definitions of civilisation and progress combined with experimentations in self sufficiency, communal living, bodily labour, celibacy and the semiotics of dress, became important aspects of his social and political crusade in India.

Calling it a 'sacred cloth', Mahatma Gandhi used Khadi to symbolise the need and importance of indigenously manufactured goods. The Gandhian khadi became the material embodiment of an ideal. It represented freedom from colonialism, and economic self sufficiency, political independence, spiritual humility, moral purity, national integrity, communal unity, social equality, the end of untouchability and the embracing of non-violence.

Mahatma Gandhi argued that the spinning wheel was the new weapon in the fight for Swaraj (home rule). Through spinning their own yarn, Indians could regain their autonomy just as by wearing khadi, they would not only struggle for independence but also experience the state of being independent. He also felt that the revival of hand-spinning would usher in the revival of a more general craft based society built around the notion of self sufficient village republics. The power of khadi as a national symbol lay in the fact that since everyone wore the same clothing, everyone had the opportunity to participate in the freedom movement. Khadi, as a brand, was perceived as the traditional dress of peasants, artisans and tribals, and its potential wearers were in theory, as numerous and varied as the Indian population itself. Khadi, a brand that symbolised freedom, became a powerful visual tool in the creation of an imagined national community, which for the first time incorporated the non-literate majority.

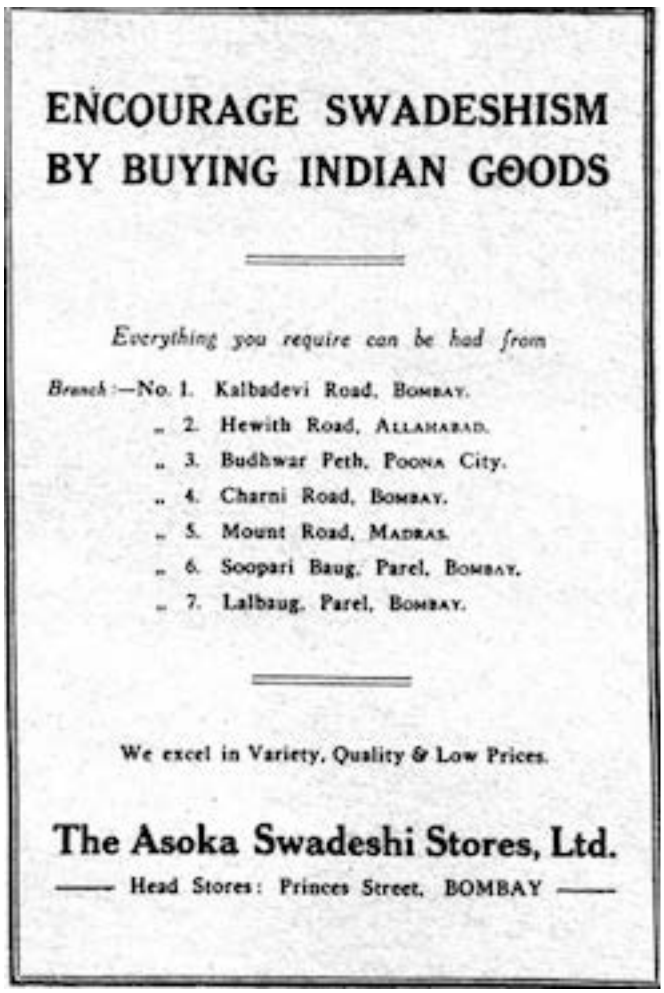

Fig 17.2: An advertisement promoting swadeshi goods

Mahatma Gandhi was convinced that the revival of hand-spinning and hand-weaving would make the largest contribution to the economic and moral regeneration of India. He justified the same in his own words: "The millions must have a simple industry to supplement agriculture. Spinning was the cottage industry years ago, and if the millions are to be saved from starvation, they must be enabled to reintroduce spinning in their homes and every village must repossess its own weaver."

Khadi and the charka (spinning wheel) were also to forge the previously missing links between the personal and the political, thereby encouraging a new range of actors on the political stage (Shodganga, Chapter 7). Many women who previously alienated from main stream social and political movements supported the khadi campaign. They took the vows of swadeshi and donated their jewellery for social and political causes. The campaign was so broadbased that it incorporated people of all ages, including children, which prompted the Congress Party to place khadi at the centre of the Non-cooperation campaign of 1920-21 and the Civil Disobedience Movement of 1930. These movements led to the boycott of import and sale of foreign cloth and the staging of public bonfires in which foreign cloth and clothes were burned and participants re-clothed themselves in simple white khadi garments. According to Gandhi, these actions represented self sacrifice, purity and service to the nation. Gandhi's brand of freedom struggle, powered by brand Khadi, used highly charged symbolic language to play on existing semi-dormant—magical and — moral beliefs concerning the polluting potential of cloth. However, he also reversed conventions, attributing purifying properties to humble khadi rather than fine luxury silks and mill cloth. To further the movement, the All India Spinners Association organised khadi tours throughout the country, replete with exhibitions, sales of cloth and demonstrations of spinning. These not only stimulated the spread of a shared visual culture but they also combined politics with entertainment in significant ways. Meanwhile, at the political centre, the Congress Party adopted khadi as its official uniform, placing the image of the spinning wheel at the centre of the national flag (which was also made from khadi cloth), and even accepting Gandhi's controversial proposal that every Congress member should spin for half-an-hour a day. Within a few years of his arrival from South Africa, Gandhi had effectively transformed the visual culture of Indian politics. White khadi cloth became a powerful presence in public protests, creating an image of visual unity, as well as a sense of shared community in the struggle for swaraj (self-rule). Gandhi's invention of a small white khadi cap (which later became known as the Gandhi cap) represented an explicit attempt to create a single unifying piece of headwear that would be accessible to all Indian men and boys, thereby downplaying existing sartorial diversity on the basis of region, religion, social status and occupation.

Gandhi's clarion call for Khadi was marked by the declaration that, "Every village shall plant and harvest its own raw materials for yarn, every woman and man shall engage in spinning and every village shall weave whatever is needed for its own use." He further reinforced the spirit of Khadi by declaring that, "Swaraj (self-rule) without Swadeshi (country made goods) is a lifeless corpse and if Swadeshi is the soul of Swaraj, Khadi is the essence of Swadeshi."

Brand Khadi, thus, introduced Brand Gandhi's movement for freedom.

The Swadeshi Movement had a terrible impact on foreign brands. For instance, the iconic laundry soap, Sunlight, launched in India by English industrialist William Hesketh Lever, in the year 1884 with the 'Made in England by Lever Brothers' tag, saw a drastic drop in sales around the 1930s, when the movement was at its peak. Though Lever continued business in India by incorporating Lever Brothers India Limited, there were many brands and companies that had to exit.

17.3 BRANDS BEFORE THE 1950s

The pre-1950s witnessed the launch of many other Indian brands, such as Narasus Coffee, MRF Tyres, and Turkish Bath Soap (Launched by Godrej on the premise that foreign soaps were impure, as they contained animal fat). Indian brands gradually began co-existing with their foreign counterparts. At the same time, many brands, in order to identify with the Indian audience, began taking an about-turn from their 'foreign' antecedents. One such instance was of Pear's Soap, which used to be advertised as 'by appointment to the Emperor and Empress of India', which gradually shifted to using imagery based on Raja Ravi Varma's paintings.

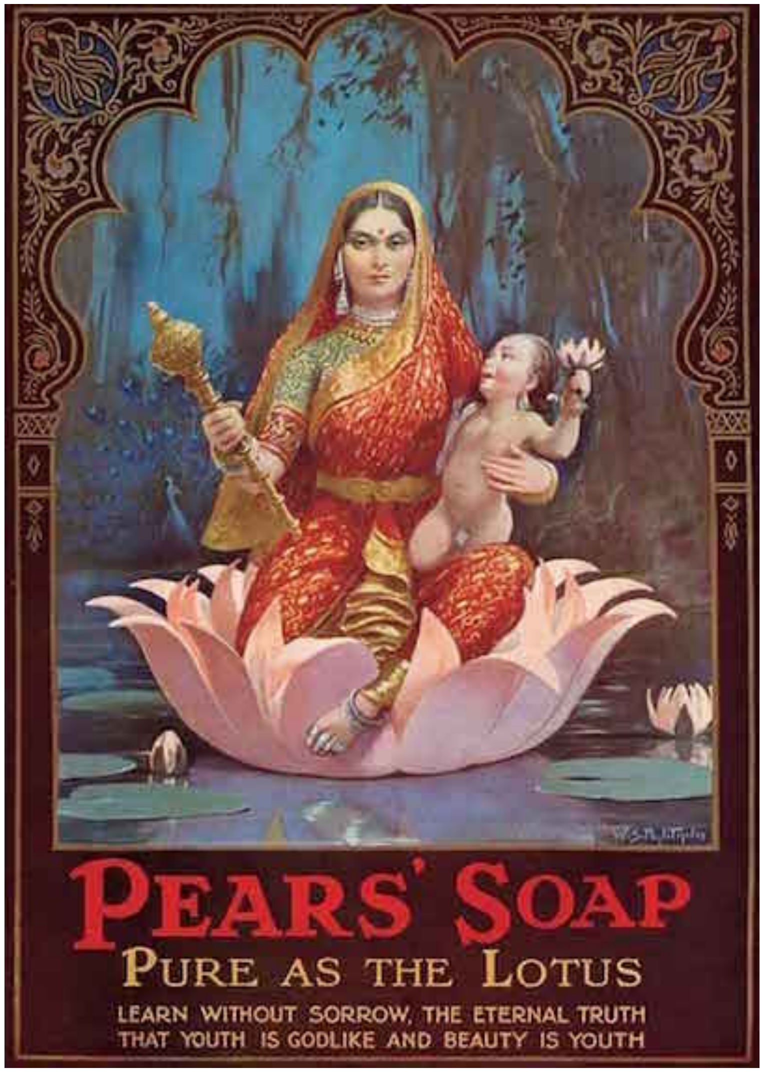

Fig 17.3: Pear's Soap, which used to be advertised as 'by appointment to the Emperor and Empress of India', gradually shifted to using imagery based on Raja Ravi Varma's paintings

A similar case is that of Lipton's Tea, as discussed by Arvind Halve and Anita Sarkar: "A Lipton tea campaign – one of the first to be specially created for the Indian market in the 1920s – presented the ingenious omnibus claim of 'Thandi mein garmahat pahunchaye, garmi mein thandak' ('it warms you in the cold, and cools you down in the heat'). Significantly, the brand was called Lipton Sahib Ki Chai. It would have been disrespectful of the British – even perhaps subversive – to call it merely Lipton Ki Chai."

Another interesting point to be noted is that much of the advertising in the period before the 1950s was retail advertising, and some of the most visible advertisers were large department stores, such as Army & Navy, Whiteaway Laidlaw, Spencers, etc. These department stores promoted products which were largely imported from Britain. However, there were also product- and service-specific advertising, and the visible advertisers in this category included brands such as Das's Rossogolla, Lipton's Tea, Tata Iron & Steel Co. Ltd., E. S. Patanwala Bombay's Afghan Products, West End Watch Co., Mackinnon, Mackenzie & Co., Sunlight Soap, Kodak Limited, Perfection Scotch Whiskey, Dr. A. T. Sanden, Excelsior Theatre, Jabakusum Hair Tonic, Ford Motor Company, Dunlop Tyres, Palmolive Soap, Horlicks, Burmah-Shell Oil Storage & Distribution Co., etc.

One such press advertisement brings to light the marketing genius of an entity of that time, which elevated luxury and exclusivity to a great height. The visual in the ad, an illustration of a man playing golf, against a black circle within which the following text is placed: 'Nasik For Golf'. The headline reads, 'For Week-Ends at Nasik', followed by the body-copy: 'For golfers and other desirous of spending their weekends at Nasik Road, the G.I.P. Railway will attach a first-class bogie to the Nagpur Express leaving Victoria Terminus on Friday, 23:15. On arrival at Nasik Road, the bogie will be detached and placed in a siding, so that the occupants' rest will not be disturbed and they can remain in the saloon for as long as they desire to do so on Saturday morning. The saloon will be detained at Nasik Road until early Wednesday morning, when it will be returned to Bombay by the Peshawar Express leaving Nasik Road at 2:05 arriving Victoria Terminus at 6:15 o' clock. Passengers wishing to entrain at Nasik Road will be permitted to do so at any time on Tuesday evening.' This information is followed by a brief description of the luxurious coach: 'The bogie will be one of the latest type of sleeping cars fitted with electric lights and fans with sleeping accommodation for 22 persons and reservation of berths can be made on application at the Enquiry Office, Victoria Terminus.'

The Tata Iron and Steel Company

Fig 17.4: Print advertisements in the pre-1950s

From the lofty heights of real luxury and exclusivity, to the tall and false claims of certain brands, the pre-1950s witnessed everything. A so called 'medicine', such as Joy's Cigarettes for Asthma & Bronchitis, claimed that its smoke would bring immediate relief from a variety of respiratory ailments to 'ladies, children and even the most delicate of patients.' While Joy's, a foreign brand, weaved its own story, Indian brands did not lag behind in proposing the extraordinary. For instance, Kailas's Brain Tonic promised to 'make your brain 100% more efficient', by 'revitalizing every brain cell' and also, startlingly, 'revitalizing every hair root', resulting in a bonus of 'abundant rich black hair'. (Source: AdKatha: The Story of Indian Advertising, by Anand Halve & Anita Sarkar, Publication: Centrum)

Quite opposite was the story of Das's Rossogolla, a brand that brought about a marketing breakthrough in India.

Fig 17.5: Advertisement for Das's Rossogolla, the biggest Bengali export to the world

In the year 1868, Nobin Chandra Das, a local confectioner of Kolkata, simplified the original Orissa recipe of Rossogollas, to make sponge Rasgullas. The sweet balls turned out to be a big hit in Kolkata. However, it's his son, Krishna Chandra Das who came up with a marketing breakthrough; He started canning the product and made Rasgullas the biggest Bengali export to the world.

While Krishna Chandra Das thought out of the box and introduced canned Rasgullas, on the other end was Dr. S.K. Burman, who, like him, introduced the novel concept of selling branded medications by mail order from his shop in Kolkata, to customers all over India. Similarly, E. S. Patanwala & Co. launched India's first beauty cream, Afghan Snow, in 1919, which was named by the King of Afghanistan after the snows of his country. Among the foreign brands, just like Pear's soap, Sunlight soap too Indianised its communications, using images inspired by Indian mythology.

Lastly, if you think advertising through commercial cinema is an innovative strategy of today's times, wake up! Anand Halve and Anita Sarkar make a mention of a film that emphasises the growing importance of brands in the

1950s: 'An indication of the growing importance of brands can be seen in the film Sahib, Biwi Aur Ghulam, set in the period: Chhoti Bahu (Meena Kumari) is depicted poignantly pleading with young Bhootnath (Guru Dutt) to buy her Mohini brand sindoor, which promises to bring back unfaithful husbands back to their wives.'

17.4 ADVERTISING and BRANDING IN THE 1950s

The British had left India. India had finally got its independence. While the era faced the ban on import of beauty aids, thanks to Jawaharlal Nehru, it also saw the birth of a few good - and now formidable - brands, such as Lakme. It is said that, disappointed by the ban, Indira Gandhi requested Kish Naoroji (Then Director of Tata) to consider manufacturing cosmetics. Though not immediate, Naval Tata, inspired by a French opera 'Lakme' by Delibes, decided to launch India's renowned cosmetics brand by the same name. Many such indigenously manufactured brands began flooding the Indian markets.

Around the same time, packaging, transportation, warehousing, outdoor publicity, retail distribution, and cash collection also began undergoing changes. R. Gopalkrishnan, in his foreword for 'AdKatha' puts up an instance of this transformation, stating that, "Until the 1950s, wooden boxes transported in railway wagons, were the standard for delivering soap and tea to markets. Progressively, there occurred a huge innovation of using cardboard boxes and delivering through the nascent road system. This reduced costs and made handling much easier.

Similarly, marketers tried to find innovative ways to intensify brand-reach across the nation. For instance, they arranged for sales and advertising vans, which could carry products and films to small towns and villages. The use of posters, danglers, and other such display materials gained prominence at a time when mass media were few.

The 1950s was also the golden age for advertising agencies. As Bal Mundkur reminisces in Adkatha, "Foreign agencies created a launching pad for adventurous, young Indian entrepreneurs who had sharpened their skills to launch their own agencies. Ayaz Peerbhoy launched Marketing and Advertising Associates (MAA) in 1960, Ulka Advertising came into being on New Year's Day of 1961, followed by Nargis Wadia's Inter Publicity. But they all began to germinate in the 50s." Mundkur, through his professional experiences, brings to light the state of the advertising industry, when he joined an agency called DJ Keymer, which was staffed by five Brits and two Indians, servicing the accounts of Indian branches of multinational corporations. He was specifically brought in to service the accounts of Indian corporates, which at that time was only done by one agency, J Walter Thompson (JWT) that serviced Tata Steel and Telco from their branch in Kolkata.

It was around this time that brands started turning away completely from a ‘foreign tone’ in their communications and focusing on the Indian tone, voice and flavour. It is said that Morris Zinkin insisted that the Dalda story in Indian language advertising be originally conceived in each language separately. As Anand Halve and Anita Sarkar put it, “Lintas found itself creating advertising (and history) in ten languages for a single brand. In Gujarati, the stories told of a character named Sachabola Shantilal, who always spoke the truth, and became the spokesperson to tell the product story credibly. The Bengali campaign serialised letters from a newly-wed to her mother.”

Brands such as Lifebuoy changed the way they communicated to the audience. From a Royal Disinfectant Soap, portrayed through illustrations, to a story of hygiene education and a preventive approach to disease, to a soap that promoted health, portraying an image of a boy under the shower, this red soap underwent rapid transformation.

Fig 17.6: The red soap that underwent rapid transformation in terms of advertising

17.5 BRANDS IN THE 1960s

The 1960s was volatile. The war with China and Pakistan, the discontinuation of PL 480 wheat shipments by the Americans, loss of considerable confidence among Indian entrepreneurs, and all such negativity made the future seem uncertain. It is said that adversity is the best teacher and it offers the best opportunity to rise up like the Phoenix from the ashes. India started rising, albeit gradually. Lal Bahadur's clarion call 'Jai Jawaan, Jai Kisan' reverberated across the nation, and C. Subramanium's Green Revolution fructified.

It was also the beginning of distribution being redefined: Though products were traditionally directly distributed by companies, a few companies dared the shift making distribution through redistribution stockists a reality. Sales personnel started thinking out of the box to improve access to brands in the deep pockets of the interior, rural population. Somewhere around that time, according to R. Gopalakrishnan, there was a breakthrough press campaign, in terms of visibility, by Brooke Bond. The Chairman, GVK Murthy, addressed the people as 'bhai saheb', and then informed them about the company's innovative distribution system, which ensured the freshness of the tea in the consumer's hands.

Vim introduced its dish-washing powder, targeted at the masses which used ash for washing their vessels. It worked, just as many other brands looked at ways and means of becoming an integral part of people's lives.

It was during this time that ORG was born, started by an Ahmedabad-based Sarabhai company, which gave impetus to Indian marketing.

R. Gopalkrishnan reminisces, "In spite of many obstacles and restrictions, the Indian industry grew and so did advertising. Fledging forms of advertising emerged: rural wall paintings, shop boards, and match-box advertising. Novelty in advertising media meant radio, cinema and hoardings. Radio Ceylon's Binaca Geet Mala had been the only way to advertise on radio until a hitherto unhelpful Doordarshan began to offer a radio advertising service in the 1960s. As for cinema, it had battled all sorts of government restrictions. It was able to provide three hours of pure hip- and tear-jerking escapism to the hapless Indian consumer at an affordable cost."

Another important milestone in this era was the birth of the Amul campaign, which is creating waves even today. At that time, it also marked the beginning of an intense client-agency relationship, best exemplified by the bonding between Dr. Verghese Kurien, head of Amul, and Sylvester da Cunha, first Managing Director of Advertising and Sales Promotion (ASP) and then of daCunha Associates.

Wills cigarettes, Air India, Zodiac, ITC, Handloom House, Lux, Diner's Club, Silvikrin, etc were few of the brands that made enough noise in the 1960s.

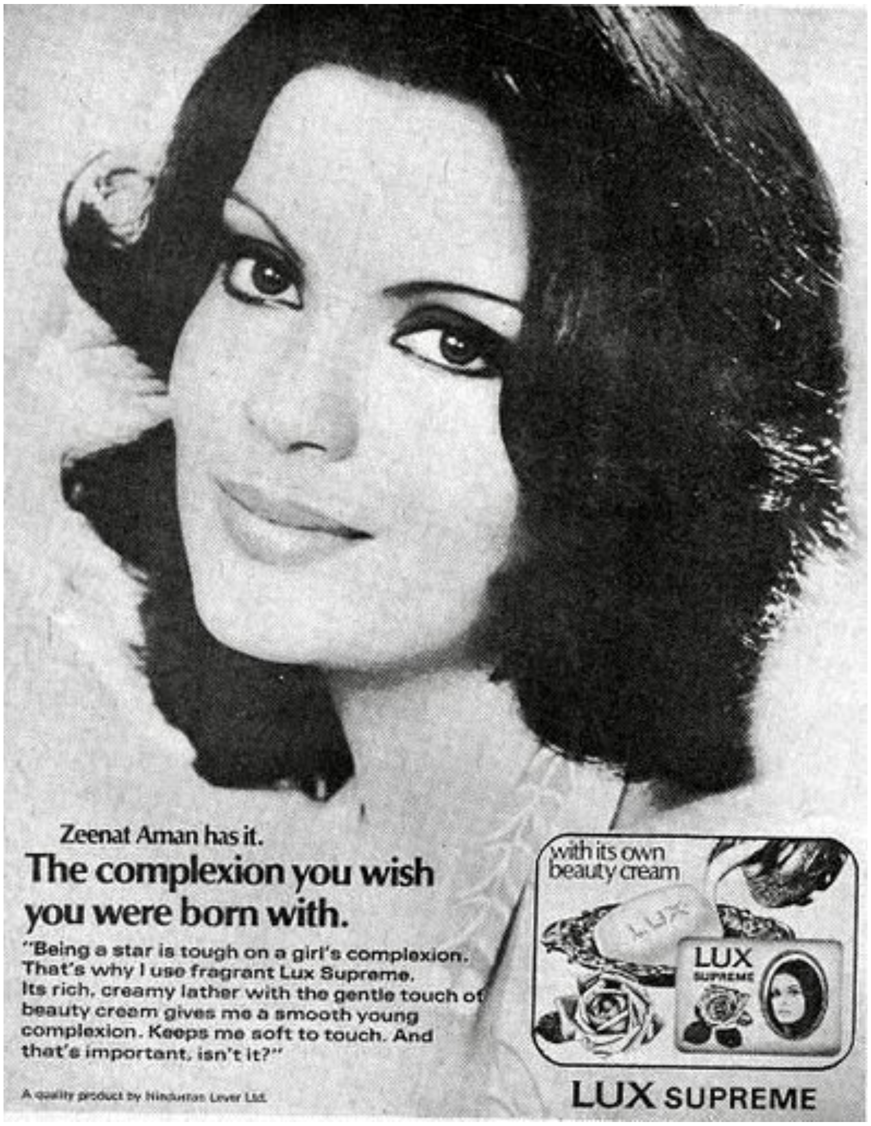

Fig 17.7: Top to bottom: Wills cigarette's 'Made for each other' became a statement; Lux, even then was the soap of the stars; 1960s witnessed the birth of the Amul campaign, which even today has not given up on the polka-dotted girl

Fig 17.8: Style and beauty had their place in the 1960s, too

17.6 THE 1970s

AdKatha describes the 70s as the roller coaster decade: "The decade, in which the professionalization of business in India began, corporations led by Reliance discovered how to raise money in the stock market, advertising agencies brought in computerisation and the professional manager from the IIMs, and a breakthrough market research report unearthed the Indian housewife's fantasies."

To begin with, it was in this time that the perception (or rather myth) of the typical Indian housewife's mindset was shattered. A study conducted by Hindustan Lever on the bathing habits of the Indian housewife revealed that she escaped into a world of her own once she went in for her bath, shutting the bathroom door behind her. That's the insight which led to the creation of one of the most famous and breakthrough campaign that showed a girl frolicking under a waterfall and dancing carefree to an infectious jingle.

Fig 17.9: The Liril girl symbolised liberation

FREEDOM IN A SOAP

By Alyque Padamsee, The Telegraph, June 21, 2011 (www.telegraphindia.com)

ESCAPE FROM REALITY

In 1975, Hindustan Lever was looking for a soap that could be a premium soap. They had popular soaps like Lux, Lifebuoy and Rexona, but nothing in the premium category apart from a Pears, which was again largely restricted to winter. They came up with Liril, a lime soap that they hoped would have a wider appeal.

The next step was to market the soap to the right target audience. We at Lintas put on our thinking caps and I suggested that we do a bit of research. I said I wonder what the Indian housewife thinks about when she closes the bathroom door. Because that's probably the only 10 minutes in the whole day she gets to herself. The rest of the time she is cooking and cleaning and scrubbing and working for her family.

The research unveiled that when she has a bath, the Indian housewife tries to get away from it all — family responsibilities and the drudgery of housework. There were some who would start singing the latest Bollywood numbers while there was one who even day-dreamed of Amitabh Bachchan coming on a white horse and carrying her away! From this research, we came to the conclusion that, for the Indian housewife, a bath was a way to escape the world, the only time she could be with herself and more importantly, be herself.

That gave me the idea that we could create a fantasy where she could escape to emotionally when she was having a bath. As a young boy, I loved watching Tarzan films and his girlfriend Jane always used to have a bath under a waterfall and come out looking so fresh. I said why don't we adopt that idea because we were looking to market Liril from the freshness platform. Most of the soaps of the time focused on complexion, getting rid of pimples and so on. We wanted to talk about a bathing experience that creates a fresh new woman out of you. That's when we decided on the girl under the waterfall concept.

The next step was, of course, casting for the film. Which was very difficult because we had to have a girl who, firstly, loved water and second, she had to be someone who could keep her eyes open under a waterfall!

After a search of more than a hundred girls, we finally found Karen Lunel. She was very tall — some 5'11" — and she had this fabulous smile. She was always full of life and to top it, she was a great swimmer. We put her under this raging waterfall in Kodaikanal in the month of November! She was freezing. What (producer) Kailash Surendranath did was to give Karen sips of brandy in between the shots to keep her warm. Every five seconds, we would pull her out and give her some brandy and put her back in. By the time we were five or six shots down, Karen was quite drunk and we had to be careful that she didn't drown! That was quite an experience.

Once we had shot the ad, the next step was to select the music. We got Vanraj Bhatia and he did a super piece — the La la la jingle — that everyone fell in love with.

We didn't want the ad to have a story; we wanted a montage of some really refreshing moments. The girl is in the waterfall and we cut between the waterfall and her shower in the bathroom to convey the feeling of freedom and freshness. The ad just stood for sheer, unbridled exuberance and enjoyment. At the end of it, we all knew that we had a winner on our hands.

But nothing was possible without the approval of the client. When we showed it to Hindustan Lever, one of the product managers said: 'But Mr Padamsee, how can we show the Indian audience an ad with a girl in a bikini bathing under a waterfall?' I stuck to my guns and said that we would put it on air and see what the viewer reaction is. If the feedback was negative, I promised that we would pull it off.

GIRL-NEXT-DOOR

We put it on air and it was a huge hit. Everyone loved the ad, loved the jingle, loved the girl in the waterfall. We didn't have to make a single cut in the ad. There was no opposition because Karen's sexuality wasn't in-your-face like Mallika Sherawat. The Liril girl was really the girl-next-door who wasn't sexy, but epitomised a young girl who wanted to have fun.

Karen Lunel was our Liril girl for over 10 years and then many famous faces took over. Altogether, the same campaign ran for 25 years. The great thing about the ad is that it became an icon and an inspiration for the new Indian woman who was carefree, very bindaas. For her, the soap became more about freedom than about freshness. The women identified with that and tuned in and the men tuned in because they wanted to see Karen!

We got a lot of positive feedback. I remember someone came up to me and said: 'Alyque, whatever else Liril is, it expresses the French term of joie de vivre (joy of life) like nothing else ever can'. A lot of young people tell me even now that they grew up with the Liril girl.

The recall of the ad was so high that people would say that they had watched it even on the days when it did not air! It impacted their emotional retina in such a way that they felt that they had seen it even when they hadn't.

There have been many Liril girls down the years but for me, Karen Lunel was the Liril girl, much more than either Preity Zinta or Deepika Padukone. It became a joke at Lintas that if you are chosen as a Liril girl, then it is a sure-shot ticket to the movies! It became quite a thing to be the Liril girl; there have always been top models that have fallen over themselves wanting to be the Liril girl.

Within 18 months of the campaign, Liril became the top-selling soap in the premium category and it remained so for 25 years. Then, when I left Lintas, new people came on board and they started fiddling with the old campaign. They had a campaign where the girl was running around in the rain, but they failed to capture the freshness and the freedom of the waterfall ads. It just wasn't the same. When that didn't work, they started positioning it as a sexy soap saying that you smell so fresh after a bath that your man will chase you around the whole room! That ad was done with Deepika, but it flopped miserably.

Now, they have a campaign that says that Liril arouses 2,000 points in your body. I didn't even know that I had 2,000 points in my body! If the ad campaigns have been mediocre, Liril's product extensions — they had an Orange soap and one that was Icy Cool — have diluted the original image and positioning of the brand.

Even today, the girl under the waterfall remains fresh in people's minds. I think that if Liril re-introduces that imagery again, the brand will get a new lease of life. Getting the girl out of the waterfall is like getting the flute out of Lord Krishna's hands. It's such an integral part of the Liril brand image.

Liril is the only brand in my entire career where I made a commercial which was nothing but a demo and yet it worked. It became part of the Indian ethos. You could watch it over and over again for 25 years and never get tired of it.

Another out of the box, and rather bold move during that time was taken by Britannia: The movie, Sholay, a classic story of revenge, with Amjad Khan in his villainous best had run house-full for 286 weeks – a rare feat. Despite Amitabh Bachchan, Dharmendra, Sanjeev Kumar and Hema Malini being among the key protagonists, Britannia, in a bold move, cast Amjad Khan, who played the role of the villain, Gabbar Singh, for their Glucose-D biscuit campaign.

Fig 17.10: Film Sholay's villain, Gabbar Singh, becomes the hero for Britannia's Glucose-D

AdKatha also talks about the 'Emotional Vs Rational' forms of advertising that gained momentum around this time. While VIP suitcase's 'Kal bhi, aaj bhi, kal bhi' summed up the emotion of a young man meeting his parents after many years, it also expressed the longevity of VIP suitcases. Hawkins' logical expression of its benefit through the line 'Hawkins cooks quickest with least trouble and greatest safety' was scored over by its emotional touch in its later campaigns. Similarly, 'There's life after cancer' by the Indian Cancer Society touched the hearts of many Indians.

This was the time when brands such as Bombay Dyeing, Taj Group of Hotels, Morarji Mills, Rasna, S. Kumars, Jenson & Nicholsan, Vimal and many such brands got into the advertising spree.

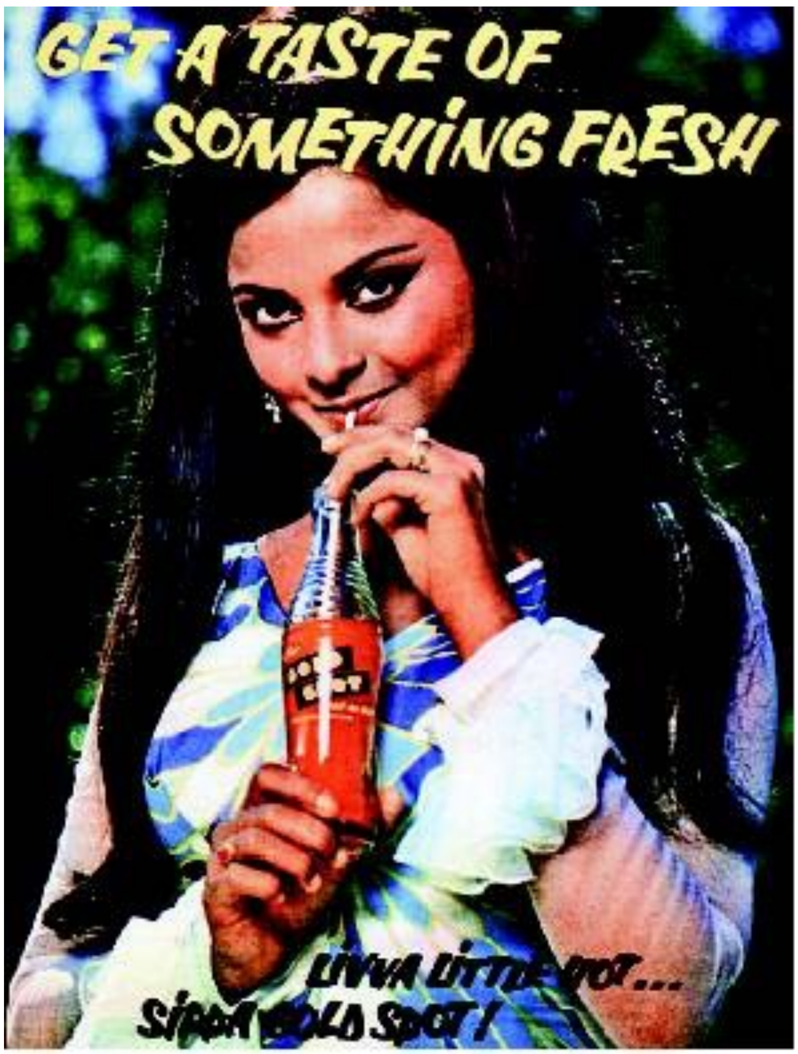

Fig 17.11: In the clutter of ads of the 70s who would fail to notice Gold Spot, the zing thing!

And yes, to conclude, advertising on matchboxes became such a hit with the launch of Wimco that there were print advertisements promoting the use of matchboxes for visibility.

Fig 17.12: Ad on a match became one of the innovative media of the 70s

17.7 GETTING BRAND EFFICIENT IN THE 1980s

To begin with, as Anand and Anita put it, "Rapid expansion of television coverage for the 1982 Asian Games in Delhi created for the first time, a 'national' medium. TV also opened a window to the world, and to a more attractive lifestyle." During the time, though TV purchases were few, its influence was great: it was not unusual to see families from the neighbourhood gathered at one home to watch television serials, cricket matches and news. In some places, a single television was the centre of attraction for a whole mohalla or community. Between 1980 and 1989, TV coverage increased from 25% to 74%.

To add to the television boom, was a young, dynamic and stylish prime minister, Rajiv Gandhi, who, in addition to wearing Nehru caps, also sported Reeboks and Ray Bans. AdKatha describes him as India's first politician that the urban middle class could relate to as 'one of us'. And much like him, TV newscasters, like Salma Sultan became the first media celebrities of India.

In the midst of all these changes, brands and advertising agencies were on the spree for blocking advertising space on Doordarshan – the national television channel, the only channel. 30-seconder and 60-seconder spots were planned and executed to be covered across various popular serials, such as Ramayana, Mahabharata, Hum Log, Buniyaad, etc. For instance, the advertising carried by Hum Log promoted a new consumer product in India, Maggi 2-minute noodles.

This was also the time of brand wars. Everyone is aware of the Cola war of the nineties. However, very few knew that there were two major detergent brands washing dirty linen in public. While Nirma, a yellow detergent powder, was sold in a little plastic bag without any promise of whitening, at a price of ` 7 per kilo, HLL's Surf was pitched at ` 21. AdKatha states that, "Glamorous models danced to the catchy jingle, 'Nirma, Nirma, washing powder Nirma.' Glamour sold an inexpensive product and assuaged the housewife's feeling of guilt over compromising on quality." And there came Lalitaji, who, in clear-cut terms, revived the guilt, when she said, "Surf ki kharidari mein he samajdari hai!" This was a war not only between two brands of detergent powders. It was a war between yellow and blue. And at an ideological level, it was a war that was four against one – Nirma's Hema, Rekha, Jaya and Sushma, and Surf's Lalitaji. In the Surf ad, Lalitaji is seen rejecting cheap aluminium spoons and negotiating with vegetable vendors, while authoritatively telling viewers that "Sasti cheez aur achchi cheez mein farakh hota hai" (There's a difference between buying cheap and buying quality). The product shot in the campaign included a demonstration of yellow versus blue. The result: Surf won!

Fig 17.13: The Nirma v/s Surf war was a war that was four against one – Nirma's Hema, Rekha, Jaya and Sushma, and Surf's Lalitaji

Other brands that reigned in the eighties ranged from refrigerators and televisions to automobiles and cigarettes to cosmetics. The Diners Club credit card became a status symbol. Maruti-Suzuki, Hero Honda and Kawasaki-Bajaj ruled the roads. Videocon washing machines proposed absolute ease with its line, 'It washes, it rinses, it even dries your clothes'. Charms cigarettes heralded an attitude with its line, 'Charms is the spirit of freedom. Charms is the way you are'. The Tramp gave rise to Cherry Blossom's 'Cherry Charlie'. Garden Vareli pampered women by simply saying, 'You fascinate me'. Lakme spoke for women with a thought-provoking question: Does make-up label you fast, loose or that type?

AdKatha talks about a time of unlimited ideas: 'This was an era of high creativity. There was an invitation to escape in Trikaya's ads for Mauritius Tourism; grit and edge in Ambience's 'Life Insurance' for Saffola low-cholesterol cooking oil; a note of warning in Trikaya's Ceasefire ads that overnight extended the fire extinguisher market to homes; a show of strength in Ambuja Cement's 'giant' series. Even as purists said, 'Ouch!', the National Eggs Coordination Committee (NECC) drove home 'egg-citing' messages. 'Sunday ho ya Monday, roz khao andey' became a colloquial phrase.'

And lastly, the eighties sowed the seeds of Hinglish, as Anand and Anita state, it was the first nod to a pride in being Indian.

17.8 THE BOLD 1990s

"In 1991 India opened its doors to the consumer economy. International brands, spanking new malls and lower duties seduced the buyer. International advertising networks came a-calling to India and Indian advertising reached out to the world. Winning at international advertising festivals, it stood on the Riviera and said, 'We Cannes'." – Anand Halve & Anita Sarkar, AdKatha.

What was in for brands? A new era of openness, media exploitation, an era of changing perceptions, an era of choices and an era of being boldly bindaas!

Post the Nirma-Surf war of the eighties it was time for the Coke-Pepsi war in the nineties.

COLA WAR: PEACE AT LAST

By Prajjal Saha & Anushree Bhattacharyya, Afaqs! May 14, 2014 (wwwafaqs.com)

It all started in 1993, when Coca Cola decided to re-enter the market for the second time (the brand had exited India in 1977, when the government wanted Coca Cola India to hand over the control to its Indian subsidiary, which implied that the company would have to reveal its secret recipe - or do away with it altogether).

Coca Cola's arch rival, Pepsi, was already present in the market for six years then. Pepsi had entered India through a joint venture (JV) with two players - Punjab Agro Industrial Corporation and Voltas India. By the time Coca Cola made its second entry, Pepsi had established itself as a brand. This was unlike other markets where Pepsi was the challenger brand and Coca Cola the leader. In India the two had swapped their positions. In this market, Pepsi was the leader and Coke the challenger.

The attributes of a challenger brand was in Pepsi's DNA and worldwide, this is what the brand was known for. In India, Pepsi could not deviate from its original approach even though it was a leader brand in this market. It kept on instigating Coke even in India as it had done in other markets. When Coke entered India, Pepsi ran a print campaign across national dailies which said "We invite you to taste Coke'. This was followed by another campaign - Coke is the registered trade mark of Coca-Cola and Pepsi is the choice of next generation. Pepsi also took a dig at Coke with 'Nothing official about it' campaign when Coke became the official partner of the 1996 Cricket World Cup.

That set the tone for more pitched battles. Pepsi, in spite of being the leader, connected well with the consumers with its challenging communication. In a way, Pepsi acknowledged the fact that though it had the bigger share, in terms of image Coke was the benchmark brand.

The war of advertising wasn't restricted only to colas. If Pepsi attacked Coke, the latter retaliated with a campaign for Sprite (the clear drink) against Pepsi and Mountain Dew. Pepsico, in return, would attack Thums Up with Mountain Dew and Pepsi.

For the first few years, the two global cola brands were busy expanding their individual reach and market until 2003 when the pesticide controversy blew up in their faces. A study released by the Centre for Science & Environment (CSE) in 2003 stated that the pesticide residue in cola drinks was higher than the permissible limit.

It was a huge blow and neither brand was prepared for this. The brands thus did not have a ready solution to fall back on but decided to experiment to circumvent the problem. Each of them started by launching local flavours. While Coca-Cola launched green apple and watermelon variants of Fanta along with masala soda drink, Rimzim and Portello, Pepsi's answer was the launch of Mirinda Brown Apple. Unfortunately, these brands sank without a trace.

Next, the two brands reduced the size of the bottle from the usual 300 ml to 200 ml and lowered the price from Rs. 10 to Rs. 5. This worked. The price reduction was followed by several campaigns. Coke tried to reassert its supremacy through 'Thanda matlab Coca-Cola', while Pepsi kept harping on its youth quotient 'Yeh dil maange more', 'Yeh pyaas hain badi' (in 2004) and 'Oye Bubbly' (in 2005).

As luck would have it, in 2006, the pesticide controversy reared its ugly head yet again. The CSE reviewed its study and came up with the same conclusions. According to an industry observer, "Both Pepsi and Coca-Cola had just risen from the old controversy and the fresh controversy kind of broke the backbone of the cola category.”

Both Pepsi and Coke then decided it was time to do something. And the best way they knew to counter the bad publicity was by using advertising. Both rolled out campaigns that had people of eminence endorsing the safety factor. Pepsi launched 'Aapki Pepsi safe hain', featuring Rajeev Bakshi, then chairman of PepsiCo India who talked about how the beverage is tested at various levels and consumer safety ensured at all stages of manufacturing.

Meanwhile Coca-Cola continued with the campaign, 'Thanda matlab Coca-Cola'. It launched a TVC in which Aamir Khan, playing a Bengali character, goes to a restaurant to have food. Even as his wife orders Thanda (Coke), Khan flares up and talks about how the cola is harmful. However, his wife rebukes him and then says that people should not fall prey to wrong information, when the company is ensuring safety at every level. To some extent, the damage control blitzkrieg helped rein in the bad publicity for both players.

It was also the time when the duo decided that, in order to survive, they had to fight together and not against each other. An unofficial agreement was made between two, that they would will not attack each on Indian soil. After all, they had a common enemy now.

The agreement was a relationship of convenience and mutual existence. In fact, a small spark could have changed the situation and the Cola brands would have headed into their next battle.However, other things were beginning to change. Colas, which represented the youth brigade at one point of time, lost their relevance not only amongst the youth but also with the general consumers. The category which was once symbolic of a good life, could not sustain that image.

From 2006 onwards, PepsiCo and Coca-Cola focused on developing and promoting a portfolio of products which included clear sparkling beverages such as Sprite, Limca and Mountain Dew, juices - Tropicana and Minute Maid, mango-based drinks Slice and Maaza and the orange flavoured Fanta and Mirinda. Explains a senior industry observer, "This holds true more in case of Coca Cola India than PepsiCo India. For PepsiCo, the flagship brand is still largest selling brand, but for Coca Cola India, other brands have taken the lead," he explains.

According to industry estimates, the overall size of the beverage industry is ` 11,000 crore, of which cola constitutes ` 3,500 crore and the cloudy lemon and lime drink category about ` 4,500 crore. The orange drink category is worth ` 2,500 crore, while the rest is soda.

As mentioned earlier, it was the Bindaas age: Tuff Shoes showed a couple intertwined, wearing nothing but a python draped around their bodies and their Tuff Shoes.

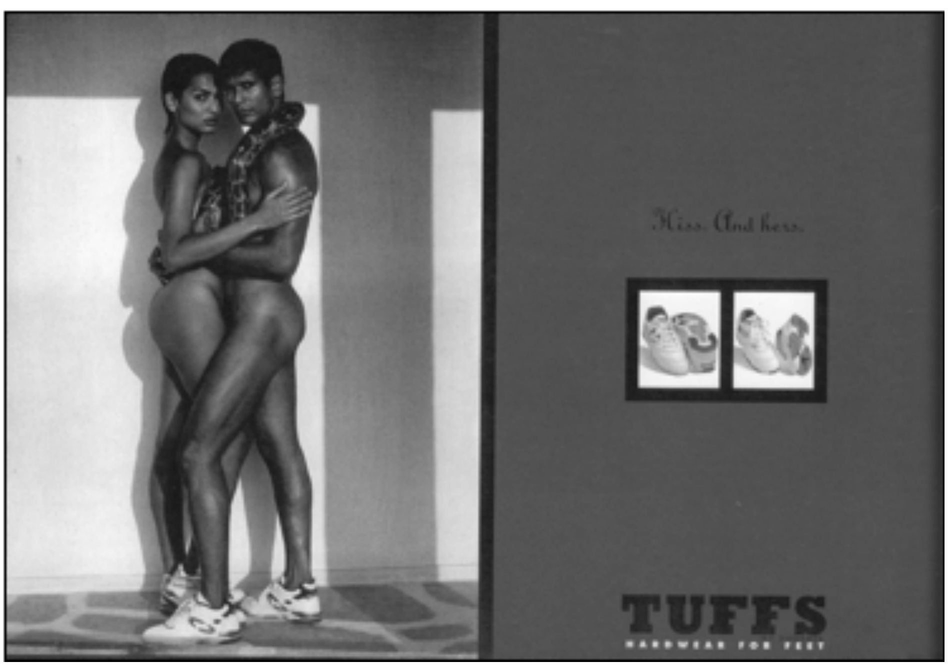

Fig 17.14: The ad of the 90s that was too ‘tuff’ to handle

Another instance is that of Kama Sutra condoms. Unlike the safe and inhibited communication of the government promoted Nirodh, Kama Sutra spoke out loud, clear and boldly about what a condom offers - pleasure, other than protection. The line, 'For the pleasure of making love' led to adman Alyque Padamsee being hauled up by ASCI (Advertising Standards Council of India). Their contention was that the line 'For the pleasure of making love' is immoral, to which he replied, "Excuse me, what's a condom made for if not for making love? There's no other reason it exists. It's not there to blow balloons." Another interesting observation that Anand Halve and Anita Sarkar have made in this regard is that "It took Kama Sutra condoms and their advertising to stop sex from becoming a four-letter word. The brand was called 'KS' to overcome embarrassment at the chemist's.'

Apart from boldness, love, attitude, romance, humour and adventure too flourished in the brand promotions of that time. Fevicol's sticky situations in its commercials became a big hit, apart from one of its commercials (rickety bus) winning a Gold Lion at the ad fest in Cannes in 2001. Raymond's came up with its style guide for 'Complete Man'. The Dairy Milk girl, dancing her way on the cricket field became symbolic of this era of liberation. The concept of the family jeweller was shattered when Tata's Tanishq set up a chain of jewellery stores across the country. Shoppers Stop ushered in the experience of shopping. India became a brand to reckon with, thanks to the Incredible India campaign. 'Fill it. Shut it. Forget it.' of Hero Honda became a strong promise of mileage. Femina's 'woman of substance' reflected the unmatched role of women in society. Titan provoked its consumers with a simple question: what's your style?

Thus, the bold nineties, turned out to also be an absolutely creative and profitable nineties for brands.

17.9 THE TECHNOLOGY-FUELLED 2000s

Adkatha, in the section '2000s: The rise of the bird of gold' makes a beautiful mention of how IT made India globalised: 'The Indian IT industry has been responsible, more than any other factor, for truly integrating India into the world economy. When someone with Marathi as his mother tongue works in the R&D centre of Google in Bengaluru for applications for the European market, you know India has globalised!'

In this era of mobiles and internet, brands began connecting to consumers in brand new ways. At the beginning of the millennium, digital advertising meant the internet, and websites were just seen as a medium to display company and brand profiles. Later, however, things turned around. Google led the change through its innovative 'search' function. Anand Halve and Anita Sarkar note that "Google changed the way people seek out brands and how brands reach out to their audiences. Innovations in searching gave advertisers the opportunity to tailor messages to the context of their audience, as well as pay only for performance, something unheard of in conventional advertising."

And then came social networking. These networks allowed brands to not only communicate with their consumers but to also interact and engage with them. Adkatha notes that 'what started as a trickle soon turned into a flood, with virtually every brand creating a social media presence, on Facebook, Twitter, YouTube, or dedicated websites to serve as 'community' hubs for their growing legion of fans, friends and followers.' In short, every second brand wanted to be visible on every second social networking platform, and explore the opportunity of interacting with every second consumer.

As if that was not enough, the internet caught up with mobiles. With the rapid development of technology and the decreasing price of mobile phones and service fees, many families could afford more than one mobile phone. With the growing number of gadgets embedded in smartphones, mobile phones became omnipresent. Armed with internet, projectors, video sharing, music player, high megapixel cameras, navigators and third-party apps, mobiles began leading the race in the exploration of more and more appropriate consumer touch-points.

What's more, as Anand and Anita have described, "The mobile phone revolution spreads across the length and breadth and into the very heart of India. Shepherds, farmers, fishermen get information on prices, the weather, changing market trends at the touch of a button."

Among the many brands – quite a few which lived through all the decades mentioned in this chapter, many which were born in the 2000s and the start-ups later – few had a tremendous impact on consumers. The birth of ZooZoos, for instance, led to a long, successful and memorable campaign for Vodafone.

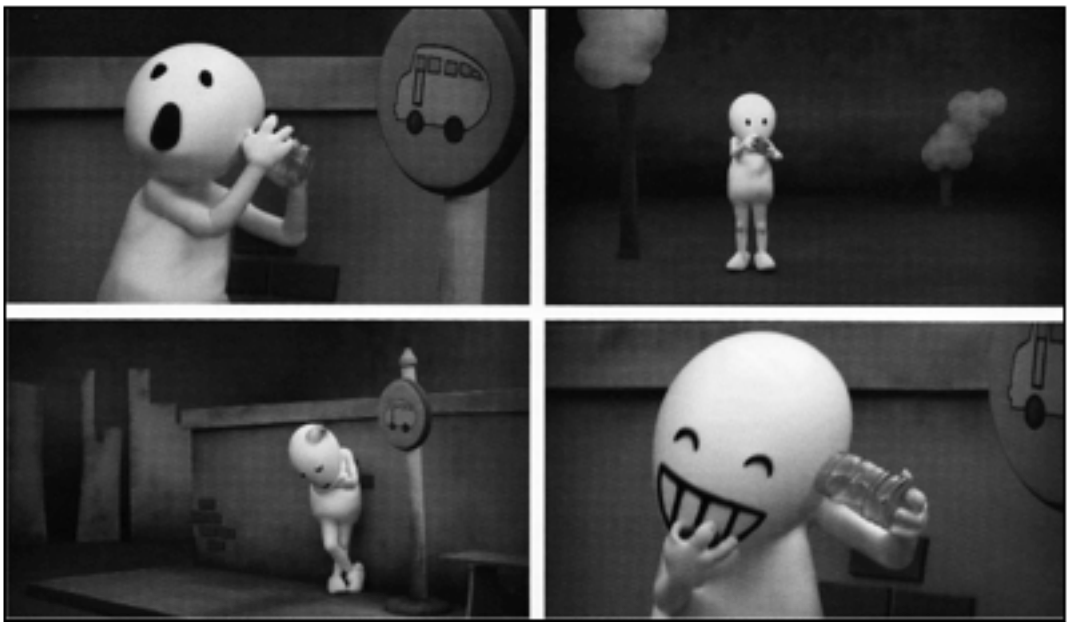

Fig 17.15: Ogilvy's ZooZoos brought in an element of innovation and fun

The Happy Dent commercial, showing the chewing gum's 'unusual property' of making teeth so dazzling white that they bathe a palace in light, made a low-interest product unforgettable. Nike's cricket played on the tops of stalled buses and cars, along with a guest appearance by our men in blue, fed a cricket-crazy country with yet another memorable treat to the eyes and ears. Cipla's i-pill opened up a telling fact about unwanted pregnancy through its depiction of the heartbreak and despair a woman has to undergo because of unwanted pregnancy. Asian Paints' 'Har ghar kuch kehta hai' changed the perception of paints forever - from the hardness of hardware to the soft and gentle moments of a home. The online gurus, makemytrip and naukri, chose to use television to bring consumers online. Tata Tea's Jaagore campaign, as AdKatha puts it, merged the brand promise with a public service message, that the tea not only gets you to wake up early morning, but also keeps the nation 'awake' to the social and political problems of the country.

Fig 17.16: Tata Tea's Jaagore TVC truly became an eye-opener

'Get Idea' became an everyday statement in the lives of Indians. The Times of India's 'Lead India' campaign galvanised the country to act and change the way things were, apart from the fact that it won the Grand Prix in the Direct Awards category at the Cannes in 2008. This was followed by the 'Teach India' campaign that championed the cause of promoting literacy.

Thus, the 2000s witnessed a terrific transformation...which went on and on, is still on, and which will go on and on and on...

17.10 INDIANISING BRANDS

After more than 60 years since the boycott resolution was passed and the seeds of the Swadeshi Movement were sown, India opened up to multinationals. In 1991, the government opened up the Indian markets for global competition. A 2006 Economic Times article 'The Rise And Rise of Multinationals' by Ranjit Shinde, states that, "With the vast pool of resources, knowledge of multiple markets and a force of capable executives with a proven track record in global markets, MNCs were expected to rewrite the script of Indian business."

However, the big question is, did these multinationals begin right? Were they of the opinion that what worked globally will also work in India?

Kellogg's, the hugely popular breakfast cereal brand in over 160 countries, entered the Indian market and employed the similar marketing mix used world over. It built its strategy on the premise of redefining the breakfast habits of Indians. Imagine what it was trying to do: changing the food habits of Indians who feasted on traditional Indian breakfast, consisting of idlis, wadas, dosas, chappatis, rotis and parathas, to a 'phoren' alternative of corn flakes in cold milk (whereas Indian consumers have always believed in serving milk warm)! To add to it, Indian consumers found Kellogg's a bit on the expensive side. Lastly, the Indian tadka was missing in the communication, basically, the Indian touch. The brand's sales dipped by 25 per cent in April, 1995.

What did Kellogg's do? Firstly, it dealt with the problem of price sensitivity by launching small-sized packs at ` 10. Secondly, it kept hammering on the concept of beginning the day with a healthy breakfast. And finally, Kellogg's became Indian by adopting Indian words into its communication, such as blending Hindi words with English. The words 'Iron Shakti' and 'Calcium Shakti' gave it a local feel, identifying itself with the Indian consumer. Kellogg's also added an Indian touch to its packaging. Last, but not the least, the company portrayed itself as a responsible corporate organisation by recycling and reusing its materials, and by initiating health and human services in the local communities.

Nike banked upon India's passion for cricket. While Nike created and identified itself with athletes and footballers, it had never targeted the cricket market earlier. However, for India, it asked its advertising agency, JWT, to develop a commercial for the 2007 cricket world cup.

Similarly, MTV, which broadcasted albums and live shows from the international circle, gradually weaned to broadcasting Indian albums, too. Do all these instances mean that global entities compromised on the core essence of their brands?

Kellogg's maintained its global essence of a healthy breakfast. Nike also retained its global essence of celebrating the spirit of human limitlessness. MTV is still cool. These brands sustained on the principles of universality. For instance, sports is sports is sports universally, a healthy life is of great concern to an American, as much as it is to an Indian, coolness is in for the new generation, world over.

Few of the ways that brands can maximise their potential in India are:

❖ **Multiple targets, multiple markets**

India has a diverse socio-economic population. Within and in between the major rural-urban divide itself there exists a huge diversity: the premium upper class, upper class, upper middle class, middle class, lower middle class, lower class, etc. Then we have the educated, semi-literates, illiterates, etc. Again, within all these segments, we have different castes, creeds and languages. A prudent company will analyse this diversity and build an offering for several segments, if not all, but to penetrate into the Indian market. Unilever, for instance, has a Lifebuoy in the budget sector, while a Dove is exclusive to the premium sector. In between, it has a Lux, a mid-range brand. Mobile service providers have in fact done a great job at touching almost all segments – from manual labourers to globetrotters. There is a pre-paid and a post-paid. In the post-paid category, several plans, ranging from the lowest in price to the highest, cater to different sections of the society. For example, the ` 999 plan may go well with a senior executive of a firm, while the ` 299 plan may be taken by a student. The pre-paid category in fact takes the cake. Once activated, a pre-paid customer can do a minimum recharge of ` 10 to continue enjoying the services. What's more, there are many service providers who permit pre-paid customers a zero-balance for a certain period. Small wonder, today that India is connected through mobiles.

The bottom line: Touch different targets, different markets.

❖ **Have an Indian heart**

Britannia says, 'Eat Healthy, Think Better'. In the same breath, it also says, 'Swasth Khao Tan Man Jagao'. The Britannia website (www.britannia.co.in) states, "Britannia saw the writing on the wall. It's "Swasth Khao Tan Man Jagao" (Eat Healthy, Think Better) reposition directly addressed the new trend by promising the new generation a healthy and nutritious alternative – that was also delightful and tasty."

Tanishq, which initially targeted the western customer, underwent strategic retooling and repositioned itself to serve the traditional, yet modern Indian woman.

Lay's has an American Style Cream & Onion flavour, as well as India's Magic Masala.

The India-focused statement of Rolls-Royce, on its website speaks a lot: "And we will continue to develop our vision for Rolls-Royce in India as a leading systems company, and remain deeply embedded in India's industrial fabric. We will also continue to make visible and significant contributions to their infrastructure and modernisation needs."

Like many other companies, the South Korean multinational electronics company, LG adopted marketing strategies that aimed at communicating its Indian image. It sponsored the 1999 and 2003 cricket worldcup, roped in four captains of the Indian cricket team to endorse its products, and devised a cultural marketing strategy that focused on discounts and sales during festivals, such as Diwali.

The suitings brand, Reid & Taylor, which initially banked on James Bond, later wore an Indian heart on its sleeve by bringing in Amitabh Bachchan as its brand ambassador.

There are numerous such instances of how brands developed an Indian heart and succeeded in India.

- **Strengthen distribution and network**

S. Rajendran, CEO, Acer, in a CRN article stresses on distribution with the argument that, "India is a nation of much diversity, and to address its varied needs it is important to appoint a mix of regional and national distribution." LG and Dell were among the first to experiment with the regional distribution. Nokia, at its peak, had one of the highest market shares in India's mobile market. One of the reasons was its distribution strategy. Out of 95,000 outlets, 50,000 sold only one brand – Nokia. Within India's fragmented market that demanded multiple-channel distribution, Nokia's distribution strategy worked.

The challenge lies in overcoming local barriers to distribution and delivering margins even at aggressive price points.

What is Eureka Forbes reputed for? An excellent network, of course. The brand has over eight million satisfied customers, thanks to its reach in over 450 cities and towns. Reputed for forging ahead with Asia's largest direct sales force, Eureka Forbes has a consumer channel of over 18,000 dealers.

The learning from these brands clearly points at a strong distribution strategy and an efficient network.

- **Adopt a localised business model and display commitment to the country**

All global business models may not have the same impact in certain countries. In a country like India, which is diverse, many global business models do not work as effectively. McDonald's, for instance, started off in India with a low-cost, localised business model before it could expand its operations across the country. On the other hand, a leading beverage company entered India and tried operating through its global business model, only to realise that it raised costs and weakened market penetration. To tackle multiple-channel handoffs demanded by India's fragmented market and to manage the problem of increased cost of organised distribution due to labour laws, the company contracted its distribution to entrepreneurs. A 2012 article, 'How Multinationals Can Win In India', published by McKinsey & Company, observes: "To realise India's potential, multinationals must show a strong and visible commitment to the country, empower their local operations, and invest in local talent. They must pay closer attention to the needs of Indian consumers by offering the customisation the local market requires."

Table: 17.1: Winning In India: An Illustrative Scorecard

Ensure top-leadership support and commitment through cycles	❖ Set bold and explicit aspirations over next 5 years (Example, 3x-5x growth in India) ❖ Send global CEO and relevant senior executives to India 3-4 times a year; engage in regular dialogue with top Indian clients ❖ Maintain appropriate local investments even through business cycles
Customise offerings to suit Indian market and customer needs	❖ Gain deep understanding of 4-5 target client segments and the initiatives that will deliver against a 3x-5x growth goal (i.e., beyond just niche markets. ❖ Set high market share goals (Example, 15% or more) for the targeted client segments ❖ Tailor product/ service packages to client segments' needs and local market differences
Create innovative and localised business model	❖ Commit to products that have 30% less functionality and that cost 50-70% less with compromising quality ❖ Build distribution network that mirrors customer targets; plan to expand it all by 20-30% ❖ Employ robust supply chain in India (Example, reliable vendors confirming to quality specifications.
Scale up via deals and partnerships	❖ Assign a business-development/ M&A team to scout for opportunities in India periodically ❖ Develop strong local partners and joint ventures; manage results proactively every quarter (i.e., no arms'-length relationships)

Leverage India for global products, services, and talent	❖ Make India team a key R&D hub with sufficient resources to deliver results ❖ Deploy business-model and technical innovations from India in other relevant markets ❖ Global operations benefit from India's cost advantage, scale, and talent pool
Manage perceptions and regulation	❖ Maintain strong relationships with top 10 external stakeholders (government and regulators); don't rely on external agencies for this ❖ Achieve premium positioning for brand in India over local competitors; ensure the brand has sufficient Indian attributes (i.e., not just a foreign label
Empower local organisation; offer a compelling people proposition	❖ Make India head a senior officer and part of global executive committees ❖ Provide India-based CEO with own investment budget and autonomy for most day to day decisions ❖ Include top 5 India executives in the global top 200 executives; monitor their career development at a global level ❖ Recruit 10% of global top 500 leaders from operations in India Achieve reputation as preferred employer (Example, place among top 100 employers in India)

Source: 'How Multinationals Can Win In India', March 2012, Vimal Choudhary, Alok Kshirsagar, Ananth Narayanan. http://www.mckinsey.com

17.11 A PEEK INTO INDIA'S STRONGEST BRANDS

Here is a list of a few of India's strongest brands. Excerpted from 'Business Superbrands: An Insight Into Some of India's Strongest Business Brands (Published by: Superbrands Limited, London, United Kingdom), the objective of this section is to highlight on certain unknown or rather not-so-popularised facts about these brands (In alphabetical order).

ACC Cement

- The first Indian expedition to the Antarctica raised the Indian flag on a pedestal built with special cement developed by ACC that could set under extreme sub-zero conditions.
- ACC is the first company in the private sector to set up an antiretroviral treatment centre, a laboratory and advanced research facilities for the treatment of HIV/AIDS affected people.
- Each year ACC recycles more than 4 million tons of waste and fly ash from thermal power plants to manufacture blended cements with qualities superior to those of ordinary cements.
- ACC installed pollution controlled equipments at its cement plants as early as 1966 – long before it became a mandatory requirement.
- ACC was amongst the first companies to employ cricketers. Amongst them were famous names such as Rusy Mody, Ramakanth Desai, Madhav Mantri, Bapu Nadkarni, Dilip Sardesai, Polly Umrigar, Sunil Gavaskar and Karsan Ghavri. In the 1960s and 1970s, more than half the Indian test cricket team were ACC employees.
- When India was partitioned in 1947, ACC had plants operating in both countries. Employees were allowed to choose the nation they wanted to live in. Special arrangements were made to transport them and their families safely to their place of posting.

Airtel

- The Airtel logo is a specially created woodmark that incorporates two rectangular forms which depict an open doorway.
- The red and black colours of Airtel's logo suggest vibrancy, innovation and dynamism through red and expertise, solidity and scale through black.
- Airtel is the fifth largest telecom company in the world.
- Each day Airtel's networks register more than 1 billion minutes or 1900 years of talk-time.
- By tomorrow, 100 thousand new people will have subscribed to Airtel services.
- Airtel is the world's first mobile service to screen a full-length film on a mobile phone.

Anchor

- If a new city with a population of 1.5 million were developed each month, Anchor would be able to meet its complete requirement.
- Anchor has one of the largest plastic moulding facilities in the world.
- If Anchor's manufacturing facilities were housed in a single building it would be 200-feet long, 100-feet wide and 75-storeys tall.
- Anchor touches the life of every Indian, from Kashmir to Kanyakumari.

Ashok Leyland

- At 60 million a day, Ashok Leyland buses carry more passengers than the Indian Railways.
- Ashok Leyland is the only manufacturer of double-decker and vestibule models of buses in India.

- With over 50,000 in service, the company is the largest supplier of logistics vehicles to the Indian Army.

- Ashok Leyland marine engines enjoy over 90% market share in India.

Bharat Electronics

- BEL (Bharat Electronics) has more than 350 products, ranging from small components that cost a few rupees, to huge systems costing more than rupees 60 crores (US $ 15 million).

- Using solar home lighting, BEL is helping illuminate the homes of people in inaccessible areas of the Sunderbans, Nilgiris, and the Thar Desert.

- In 1981-82, BEL was setting up one TV transmitter everyday across the country to bring television coverage to Indian homes.

- BEL created the police network, which connects all district headquarters to state capitals and the centre via satellite.

- BEL manufactures the receive-only terminals that make distance education possible in rural schools of Kerala, Karnataka, Madhya Pradesh and Rajasthan, under the EDUSAT programme.

- To harness renewable energy, BEL commissioned a 2.5 MW wind energy power plant in Davangere district and a 3 MW wind energy power plant near Hassan, in Karnataka. The total energy generated so far is over 4 million units.

Bharat Petroleum Corporation

- Valued at over US $ 2.46 billion (` 9,840 crore) BPCL is India's seventh most valuable brand.

- BPCL ranks 325th in the Fortune 500 listing.

- To support the economically and socially weaker sections of society, BPCL involves itself with activities like rain water harvesting, blood donation drives, vaccination camps and promotion of alternate fuel sources.

- BPCL commissioned wind mills with a combined capacity of 5 MW in the Kappatguda hills of Karnataka.

- To help deserving Indian students complete post-graduate studies in India and abroad, the Bharat Petroleum Scholarships for Higher Studies was initiated in 2003-04.

Big Bazaar

- 2 million customers walk-in each week into Big Bazaar stores.

- Collectively, Big Bazaar stores cover nearly 4 million square feet of space.

- In three days between January 25 and January 27, 2008, Big Bazaar sold over 100,000 pairs of jeans and 200,000 shirts.

- Big Bazaar has a base of over 1 million loyalty card members.

- More than 160,000 products are sold at Big Bazaar stores.

Dainik Jagran

- Laxmi Devi, wife of the founder Puran Chandra Gupta, who was the source and inspiration behind the newspaper, gave it the name Dainik Jagran.

- During the Emergency, when censorship was imposed on the media, Dainik Jagran stamped its image as a fearless, bold and non-biased crusader. Its blank editorial column carried the headline 'New Democracy?' with the text reading 'Censorship Enforced'.

- Remaining true and sincere to its readers, it advised them to 'keep quiet'. This resulted in the arrest of its founder Puran Chandra Gupta and his sons, Narendra Mohan and Mahendra Mohan.

- As per the World Association of Newspapers, Dainik Jagran is the largest read daily in the world.

- A BBC-Reuters study, voted Dainik Jagran as the most credible source of news within the print media in India.

Gitanjali

- The name Gitanjali is an amalgam of Gita and Anjali – daughters of the Late Chinubhai Choksi.
- The tennis ball presented to Venus Williams on 14th November, 2007 was a Gitanjali creation called Tesoro.
- The group has an overall market share of more than 50% in the organised jewellery sector.
- In its lifestyle and luxury arena, the group has introduced international brands, such as Greggio, Bezel, Morellato, Stefan, Hafnar, Just Cuts, Nina Ricci, Miss Sixty, Roberto Cavallo, Sector and Philip watches.
- Gitanjali is the first Indian jewellery company to acquire leading retail chains in the Unites States.
- Gitanjali owns a diamond mining company in Canada.
- At its Giantti salon, customers can design their own jewellery.

HDFC Bank

- HDFC Bank was the first private sector bank to be licensed for operation.
- In February 2000 when HDFC Bank merged with TimesBank, it created history: it was the first merger in the private sector.
- HDFC Bank was the quickest to cross the one-million credit card mark.
- HDFC Bank was the first bank in India to launch debit cards and offer mobile banking, online banking and real-time NetBanking.
- HDFC Bank is the primary settlement bank to the major stock exchanges in the country and has the biggest market share in the settlement services to commodities exchanges.

Indian Oil

- IndianOil is India's largest commercial enterprise with a turnover of Rs. 247,479 crore (US$ 61.87 billion).
- Digboi, operating since 1901, is the oldest operating refinery in the world.
- IndianOil offers consultancy in Refinery & Pipeline projects, Refinery Revamp, Turnaround, O&M and Refining Process Technologies.
- With over 1.3 cards in circulation, IndianOil's XTRAPOWER Fleet Card programme is the largest loyalty programme in the country.
- IndianOil's XTRAPREMIUM petrol and XTRAMILE diesel are the leaders in the fuels category in India.

Infosys

- The average age of Infosys employees is 26 years.
- 64 different nationalities work at Infosys.
- 34% of client-facing personnel are non-Indian.
- Over 90% of the employees have an engineering degree, 80% Bachelors and 10% Masters.
- In 2006, 1.5 million people applied for a job with Infosys.
- Its 2007 global internship programme, InStep, attracted over 12,000 applications from 80 of the top universities in the world.

Kajaria

- Kajaria is India's largest manufacturer of ceramic wall and floor tiles.
- Kajaria World is the first chain of imported tiles showroom in India.
- The Highlighter tiles concept is a Kajaria innovation.

- Tiles manufactured by Kajaria in a year can go around the world in a strip half metre wide.

- On an average, each working day, Kajaria introduces at least one new tile design.

Life Insurance Corporation (LIC)

- Every 2.17 seconds of every working day in 2007-08 LIC had settled one claim.

- 97.11% of maturity claims are settled on or before the date of maturity.

- The total life fund with LIC stood at ` 5,60,806 crore (US$ 140.20 billion) on 31st March, 2007.

- The sum assured of all insurance policies in force as on 31st March, 2007 was a staggering ` 1,510,957 crore (US$ 377.74 billion).

- As at 31st March 2007, LIC had 21.26 crore in-force policies.

Luxor

- If you were to join, end-to-end, every Luxor pen made in a year, the resultant chain would stretch from the earth to the moon.

- The Luxor brand has been re-purchased by its owners at least four times in its history.

- Luxor once launched a 3-D roller pen that had 14,000 glass beads.

- Luxor has exported pens to over 75 countries in the world.

Maruti Suzuki

- Maruti Suzuki India contributes about one third to Suzuki's global car volumes.

- Maruti Suzuki has India's largest service network, spanning over 1200 towns and cities.

- Maruti Suzuki's greatest achievement is reflected in the fact that no car manufacturer has been ranked first in customer satisfaction eight years in a row by the JD Power Customer Satisfaction Index Study, Asia Pacific.
- Under an agreement with the Government of Haryana, Maruti Suzuki is modernising four ITIs by bringing in new technology, modern equipment and the latest teaching aids.
- Four villages in Haryana – Kasan, Alihar, Dhana and Baas – have been adopted by Maruti Suzuki to develop health care, employment, education and infrastructure.

Shoppers Stop

- In 1999, Shoppers Stop became the first retailer in India to adopt and practice Enterprise Resource Planning.
- Shoppers Stop hosted a carnival with four Disney characters – Mickey, Minnie, Donald and Goofy – in their first joint appearance in India.
- In a single day, Shoppers Stop sold more Ray Ban glasses than any other outlet in the world.
- Shoppers Stop is in the Guinness Book of World Records for the longest tie ever fabricated.

Steel Authority of India (SAIL)

- The company was the proud supplier of steel to the Indian Navy for the manufacture of the country's first indigenous aircraft carrier.
- Till date, rails supplied by SAIL, if put end to end, would circumnavigate the world 7.5 times.
- SAIL has adopted 79 villages across eight states for development into model steel villages.
- SAIL is helping preserve five monuments in Delhi's famous Lodi gardens.

- More than 700,000 people have been covered by SAIL's Aids Awareness Programme.
- SAIL runs 138 schools and 39 hospitals, including eight super speciality hospitals.
- SAIL provides access to clean drinking water to more than 2 million people.
- SAIL townships have 140,000 houses, clubs, hospitals and lush green parks.

Sun Microsystems

- One of the leading management schools of India, IIM-Ahmedabad, has recorded that Java contributes 2.5% of India's GDP.
- The Sun platform archives over 37% of the world's data on its storage device.
- Sun systems helped create the Toy Story – the world's first fully computer generated film.

Voltas

- The Vertis range includes India's first air-conditioner priced below Rs. 10,000.
- Voltas is India's largest exporter of electro-mechanical services.
- Voltas' most prestigious projects include air-conditioning the World's largest ocean liner – the Queen Mary II and the Burj Tower in Dubai – the world's tallest building.
- Voltas has executed projects in 30 countries.
- Voltas gave India its first air-conditioner in 1954 and its first split unit in 1982.

- Nine out of the eleven upgraded airports in India have been air-conditioned by Voltas.

17.12 SUMMARY

Branding in India is closely entwined with the evolution of advertising in this part of the world. To begin with, over a hundred years before independence, the per capita income barely saw any growth, and, as R. Gopalkrishnan (Director, Tata Sons Limited) puts it in his foreword for 'AdKatha – The Story of Indian Advertising, "Population growth just about kept pace with the GDP, and the Indian market was an agglomeration of sub-markets."

Barely anyone understood the word 'consumption' and despite a large population, advertising found it difficult to identify consumers which it could influence. Thus, most advertising and branding at that time focused on a handful of elite. However, on the other hand, even during those times, novel ways were ideated to increase consumerism. One such example is of Dalda. Prakash Tandon (Chairman, HLL), in his book, 'Punjabi Century' describes how the traditional wandering minstrels (folk song and dance performers, storytellers) of Rajasthan were used to communicate the message of Dalda. It is known that Tandon and Maurice Zinkin, a former ICS officer, roped in an anthropologist, Evelyn Woods, who incorporated Dalda in the Rajasthani Pichwais (Paintings on cloth) that these minstrels used for centuries to tell stories from the Ramayana or Mahabharata. The minstrels then would wander from market to market entertaining their audiences, tactfully and creatively weaving Dalda into these stories. It would be appropriate to conclude that this marked the entry of sociologists and psychologists into advertising, marketing and branding.

August 7, 1905, Calcutta Town Hall: The Boycott Resolution was passed. The pledge was taken to boycott all foreign goods. The seeds of the Swadeshi Movement were sown. The resolution included boycotting foreign cloth, salt, sugar, government schools and colleges, government service, government titles, etc. This swadeshi spirit also laid the foundation for the establishment of swadeshi textile mills, soap and match factories, tanneries, banks, insurance companies and shops. And this led to the entry of Indian brands – made in India, for Indians.

The Swadeshi Movement had a terrible impact on foreign brands. For instance, the iconic laundry soap, Sunlight, launched in India by English industrialist William Hesketh Lever, in the year 1884 with the 'Made in England by Lever Brothers' tag, saw a drastic drop in sales around the 1930s, when the movement was at its peak. Though Lever continued business in India by incorporating Lever Brothers India Limited, there were many brands and companies that had to exit.

The pre-1950s witnessed the launch of many other Indian brands, such as Narasus Coffee, MRF Tyres, and Turkish Bath Soap (Launched by Godrej on the premise that foreign soaps were impure, as they contained animal fat). Indian brands gradually began co-existing with their foreign counterparts. At the same time, many brands, in order to identify with the Indian audience, began taking an about-turn from their 'foreign' antecedents. One such instance was of Pear's Soap, which used to be advertised as 'by appointment to the Emperor and Empress of India', and which gradually shifted to using imagery based on Raja Ravi Varma's paintings. A similar case is that of Lipton's Tea, as discussed by Arvind Halve and Anita Sarkar: "A Lipton tea campaign – one of the first to be specially created for the Indian market in the 1920s – presented the ingenious omnibus claim of 'Thandi mein garmahat pahunchaye, garmi mein thandak' ('it warms you in the cold, and cools you down in the heat'). Significantly, the brand was called Lipton Sahib Ki Chai. It would have been disrespectful of the British – even perhaps subversive – to call it merely Lipton Ki Chai."

The British had left India. India had finally got its independence. While the era faced the ban on import of beauty aids, thanks to Jawaharlal Nehru, it also saw the birth of a few good - and now formidable - brands, such as Lakme. It is said that, disappointed by the ban, Indira Gandhi requested Kish Naoroji (Then Director of Tata) to consider manufacturing cosmetics. Though not immediate, Naval Tata, inspired by a French opera 'Lakme' by Delibes, decided to launch India's renowned cosmetics brand by the same name. Many such indigenously manufactured brands began flooding the Indian markets.

Around the same time, packaging, transportation, warehousing, outdoor publicity, retail distribution, and cash collection also began undergoing changes. R. Gopalkrishnan, in his foreword for 'AdKatha' puts up an instance of this transformation, stating that, "Until the 1950s, wooden boxes transported in railway wagons, were the standard for delivering soap and tea to markets. Progressively there occurred a huge innovation of using cardboard boxes and delivering through nascent road system. This reduced costs and made handling much easier.

Similarly, marketers tried to find innovative ways to intensify brand-reach across the nation. For instance they arranged for sales and advertising vans, which could carry products and films to small towns and villages. The use of posters, danglers, and other such display materials gained prominence at a time when mass media were few. The 1950s was also the golden age for advertising agencies.

The 1960s was volatile. The war with China and Pakistan, the discontinuation of PL 480 wheat shipments by the Americans, loss of considerable confidence among Indian entrepreneurs, and all such negativity made the future seem uncertain.

R. Gopalkrishnan reminisces, "In spite of many obstacles and restrictions, Indian industry grew and so did advertising. Fledging forms of advertising emerged: rural wall paintings, shop boards, and match-box advertising. Novelty in advertising media meant radio, cinema and hoardings. Radio Ceylon's Binaca Geet Mala had been the only way to advertise on radio until a hitherto unhelpful Doordarshan began to offer a radio advertising service in the 1960s. As for cinema, it had battled all sorts of government restrictions. It was able to provide three hours of pure hip- and tear-jerking escapism to the hapless Indian consumer at an affordable cost."

AdKatha describes the 70s as the roller coaster decade. However, to begin with, it was in this time that the perception (or rather myth) of the typical Indian housewife's mindset was shattered and the famous Liril campaign was born. Another out of the box, and rather bold move during that time was taken by Britannia: In a bold move, cast Amjad Khan, who played the role of the villain, Gabbar Singh, for their Glucose-D biscuit campaign. AdKatha also talks about the 'Emotional Vs Rational' forms of advertising that gained momentum around this time.

During the 1980s, though TV purchases were few, its influence was great: it was not unusual to see families from the neighbourhood gathered at one home to watch television serials, cricket matches and news. In some places, a single television was the centre of attraction for a whole mohalla or community. Between 1980 and 1989, TV coverage increased from 25% to 74%.

In the midst of all these changes, brands and advertising agencies were on the spree for blocking advertising space on Doordarshan – the national television channel, the only channel. 30-seconder and 60-seconder spots were planned and executed to be covered across various popular serials, such as Ramayana, Mahabharata, Hum Log, Buniyaad, etc. For instance, the advertising carried by Hum Log promoted a new consumer product in India, Maggi 2-minute noodles.

The eighties also sowed the seeds of Hinglish, as Anand and Anita state, it was the first nod to a pride in being Indian.

The 1990s was the Bindaas age: Tuff Shoes showed a couple intertwined, wearing nothing but a python draped around their bodies and their Tuff Shoes. Another instance is that of Kama Sutra condoms. Unlike the safe and inhibited communication of the government promoted Nirodh, Kama Sutra spoke out loud, clear and boldly about what a condom offers - pleasure, other than protection.

Apart from boldness, love, attitude, romance, humour and adventure too flourished in the brand promotions of that time.

In the 2000s, the era of mobiles and internet, brands began connecting to consumers in brand new ways. At the beginning of the millennium, digital advertising meant the internet, and websites were just seen as a medium to display company and brand profiles. Later, however, things turned around. Google led the change through its innovative 'search' function. Anand Halve and Anita Sarkar note that "Google changed the way people seek out brands and how brands reach out to their audiences. Innovations in searching gave advertisers the opportunity to tailor messages to the context of their audience, as well as pay only for performance, something unheard of in conventional advertising."

And then came social networking. These networks allowed brands to not only communicate with their consumers but to also interact and engage with them. Adkatha notes that 'what started as a trickle soon turned into a flood, with virtually every brand creating a social media presence, on Facebook, Twitter, YouTube, or dedicated websites to serve as 'community' hubs for their growing legion of fans, friends and followers.' In short, every second brand wanted to be visible on every second social networking platform, and explore the opportunity of interacting with every second consumer.

As if that was not enough, the internet caught up with mobiles. With the rapid development of technology and the decreasing price of mobile phones and service fees, many families could afford more than one mobile phone. With the growing number of gadgets embedded in smartphones, mobile phones became omnipresent. Armed with internet, projectors, video sharing, music player, high megapixel cameras, navigators and third-party apps, mobiles began leading the race in the exploration of more and more appropriate consumer touch-points.

After more than 60 years since the boycott resolution was passed and the seeds of the Swadeshi Movement were sown, India opened up to multinationals. In 1991, the government opened up the Indian markets for global competition. A 2006 Economic Times article 'The Rise And Rise Of Multinationals' by Ranjit Shinde, states that, "With the vast pool of resources, knowledge of multiple markets and a force of capable executives with proven track record in global markets, MNCs were expected to rewrite the script of Indian business."

However, the big question is, did these multinationals begin right? Were they of the opinion that what worked globally will also work in India?

Yes, many multinational brands faltered. However, here are few tips to get going in India:

- Multiple targets, multiple markets
- Have an Indian heart
- Strengthen distribution and network
- Adopt a localised business model and display commitment to the country

17.13 ACTIVITY

1. Make a list of brands that have existed in India since 1905.

………
………
………
………
……

17.14 SELF ASSESSMENT QUESTIONS

1. Discuss the impact of swadeshi movement on brands.

2. Explain Indianising of brands.

Multiple Choice Questions

1. Ratnam Pens, also known as Swadeshi Pens, was launched by ______.

   a. Lalji Ratnam
   b. V. K. Ratnam
   c. Meena Ratnam
   d. K. V. Ratnam

2. ______________ for Asthma & Bronchitis, claimed that its smoke would bring immediate relief from a variety of respiratory ailments.

   a. Joe's Cigarettes
   b. Beedis
   c. Joy's Cigarettes
   d. Smoking Pipe

3. Which of the following statements are true:

   a. Vim introduced its dish-washing powder, targeted at the masses which used mud for washing their vessels.

   b. The 1950s was also the golden age for PR agencies.

c. It is said that, disappointed by the ban, Indira Gandhi requested Kish Naoroji (Then Director of Tata) to consider manufacturing cosmetics.

d. Though not immediate, Naval Tata, inspired by a French opera 'Lakme' by Delibes, decided to launch India's renowned cosmetics brand by the same name.

4. Which of the following statements are false:

   a. At the beginning of the millennium, digital advertising meant the internet, and websites were just seen as a medium to display company and brand profiles.

   b. The birth of zoozoos led to a long, successful and memorable campaign for Airtel.

   c. Social networking allowed brands to not only communicate with their consumers but to also interact and engage with them.

   d. In 2001, the government opened up the Indian markets for global competition.

Answers

1. (D), 2. (C), 3. (C, D), 4. (B, D)

17.15 RECOMMENDED READING

Book

- AdKatha: The Story of Indian Advertising, by Anand Halve & Anita Sarkar

- Courtesy: This chapter would not have achieved the depth and understanding of branding from the Indian perspective without the references sourced from the above-mentioned book by Anand Halve and Anita Sarkar. Strategically chronicled, AdKatha's rich source of information on brands and especially the evolution of Indian advertising, has added more value to this chapter.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture

Chapter 18

THE ANTI-BRANDING MOVEMENT

Objective

After completing this chapter, you will be able to understand:

- The concept and thought behind anti-brand thinking, based on Naomi Klein's renowned book 'No Logo: Taking Aim at the Brand Bullies'.

Structure:

18.1 Introduction

18.2 Anti-Brand: An Overview

18.3 No Space

18.4 No Choice

18.5 No Jobs

18.6 No Logo

18.7 Summary

18.8 Activity

18.9 Self Assessment Questions

18.10 Recommended Reading

18.1 INTRODUCTION

So far, we have discussed brands: the definition of brands, the elements of brands, brand positioning, brand image, brand relationship...we have studied about the importance of brands in the lives of consumers and the impact that they have on our buying decisions.

Despite all that we have studied about brands, what if it is proposed that there should be no brands? What if, you are told that there are many who also feel that brands are disadvantageous? What if, there are no logos?

Naomi Klein, Canadian author and social activist, and a strong critique of corporate globalisation, proposes the many disadvantages that brands bring about.

This chapter will deal with her theories, particularly on the basis of her book 'No Logo: Taking Aim at the Brand Bullies'.

18.2 ANTI-BRANDING: AN OVERVIEW

"In the two years after No Logo came out, I went to dozens of teach-ins and conferences, some of them attended by thousands of people (tens of thousands in the case of the World Social Forum), that were exclusively devoted to popular education about the inner workings of global finance and trade. No topic was too arcane: the science of genetically modified foods, trade-related intellectual property rights, the fine print of bilateral trade deals, the patenting of seeds, the truth about certain carbon sinks. I sensed in these rooms a hunger for knowledge that I have never witnessed in any university class. It was as if people understood, all at once, that gathering this knowledge was crucial to the survival not just of democracy but of the planet. Yes, this was complicated, but we embraced that complexity because we were finally looking at systems, not just symbols." – Naomi Klein, No Logo.

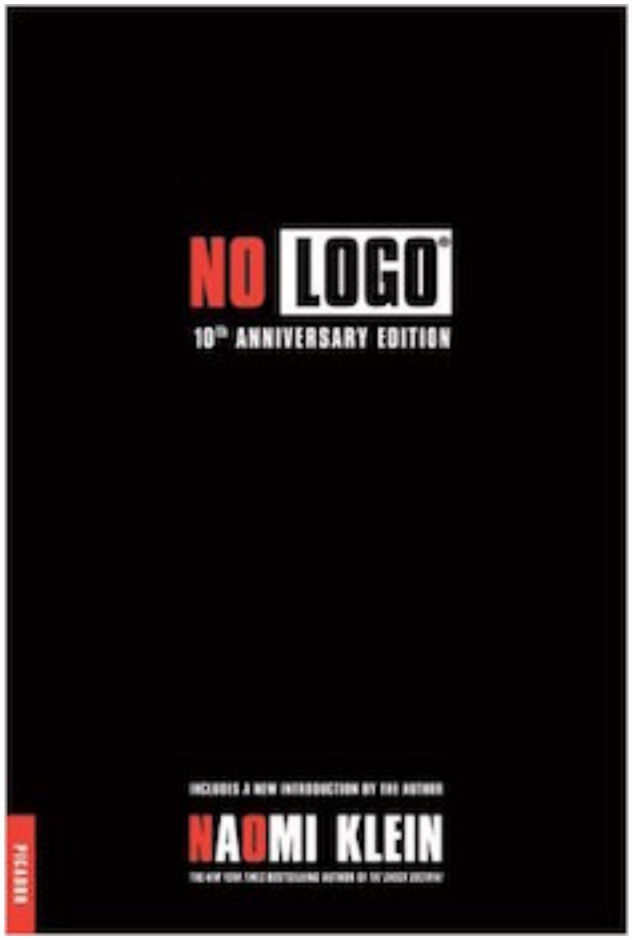

Fig 18.1: Book cover of 'No Logo' by Naomi Klein.

Naomi Klein's 'No Logo' is the bible for anti-corporate and anti-globalisation activism. Her activism stems from her belief that multinational corporations have grown so enormously that they have superseded governments and have become the ruling political bosses of our era. Her contention is that multinational corporations are only accountable to their shareholders and there are no mechanisms or processes in place to enable them to put people before profits.

Naomi asserts that corporate rule has assaulted the three social pillars of civic space, civil liberties and employment. Hence, she divides her book into four parts – the first three parts address the assault on the three social pillars, while the fourth part concludes on the emerging activism.

'No Space,' the first part of the book examines the corporate assault on civic space – the surrender of culture and education to marketing. The second part of the book 'No Choice' talks about the corporate assault on civil liberties, which happens because of predatory franchising and mergers which have reduced cultural choice. The third part, 'No Jobs' stresses on the corporate assault on employment, how multinationals are liberating themselves from the burden of having employees. The fourth part 'No Logo' documents the activism that is emerging in response to this corporate rule.

In the following points we shall explore in detail the four parts.

18.3 NO SPACE

There is not a single space brands and branding have left. This part talks about how corporate rule has assaulted civic space. According to Naomi, corporate companies have been focusing on producing brands rather than products; in other words, the focus has been on marketing, rather than manufacturing.

What have corporations been doing to increase their profitability? In the quest for developing their brand images, corporations have been contracting the production to third world countries where wages are low. Companies have realised that their stock market value is largely tied to their advertising budget, and so there has been a phenomenal rise in advertising spends in the nineties. In fact, advertising has so much crossed all thresholds that it has found intrusive ways to connect with the consumer. So, apart from television and print, advertising now also creeps into the neighbourhood, parks and in some cases, also into consumers' homes.

The developments mentioned above would not have been possible, according to Naomi, with the deregulation and privatisation policies of the last three decades.

In the US under President Ronald Reagan in the 1980s, for example, corporate taxes were dramatically lowered, a move that eroded the tax base and gradually reduced the size of the public sector. Privatisation invaded schools, museums and broadcasters, as they turned to these multinationals for financial support. Over time, as dependency on sponsorship revenue increased in the cultural industries, many corporations became more ambitious in their demands for grander acknowledgements and control. For example, Nike not only sponsored the 1998 Winter Olympics in Japan, it had CBS TV commentators report on the games in jackets adorned with bold Nike logos and even funded the training of two Kenyan runners for cross-country skiing events. Naomi Klein writes, "By equating the company with athletes and athleticism at such a primal level, Nike ceased to merely clothe the game and started to play it."

Apart from all these, brands have also invaded university life, schools and almost all cultural institutions. They have left no space untouched, no space empty of their presence.

18.4 NO CHOICE

In the second section, Naomi discusses how brands use their size and major influence to put a cap on the number of choices available to the consumer. She says that while the branded multinationals talk about diversity, what they really seek is "an army of teenage clones marching in uniform....into the global mall. Despite the embrace of polyethnic imagery, market driven globalisation does not want diversity; quite the opposite. Its enemies are national habits, local brands and distinctive regional tastes." She gives the example of Wal-Mart, how when it sets up one of its big-box discount store on the edge of a town, it exploits the economies of scale by setting prices sufficiently low so that no small retailer can compete and small communities find that their lively downtown streets die.

Another way that choices have diminished, according to her, is the mergers of large firms. These mergers have been motivated by the potential benefits of exploiting the synergies, but which have left consumers with no protection against monopolistic schemes. They have left consumers with no choice!

18.5 NO JOBS

As discussed earlier, Naomi says that corporations have shifted emphasis from manufacturing products to manufacturing brands. They have outsourced manufacturing to the developing countries and have set their focus on marketing. As Nike's CEO Phil Knight puts it, "There is no value in making things any more. The value is added by careful research, by innovation and by marketing." Between November 1997 and February 1999, Levi Straus shut down 22 plants and layed off 13,000 North American workers.

She says that when manufacturing is so devalued, it follows that the people doing the production work become highly devalued as well. There has been a shift in corporate priorities and this has left factory workers and craftspeople in an uncertain and unsteady situation. "The lavish spending in the 1990s on marketing, mergers and brand extensions has been matched by a never-before-seen resistance to investing in production facilities and labour," she observes.

Corporations have not only outsourced their manufacturing to other countries, but also have been rushing to free themselves from the burden of employees in everything, from human resources to computer systems. The steady kind of jobs with benefits, holiday pay, a measure of security and even union representation has become less and less common. In the service sector many of the jobs offered by brand-name companies are notoriously unstable, low-paying and part-time.

On the issue of corporations, such as Microsoft, where scores of young workers have become millionaires from their lavish stock options, Naomi responds by stating that even Microsoft is playing the same game. According to her, Microsoft plays it with a two-tier workforce. On the inner circle, there is a group of very happy employees with permanent full-time jobs, pension, benefits, generous stock options and $220,000 average salaries. Orbiting around this circle are around 5000 temporary workers, many of which work side by side with members of the inner circle and perform many of the same jobs, but without the stock option benefits or high salaries.

18.6 NO LOGO

The final part of the book discusses about the various movements that have emerged during the nineties. One of the movements is the 'culture-jamming movement' which is a tactic used by many anti-consumerist social movements. The focus of these movements is to disrupt or subvert media culture and its mainstream cultural institutions, including corporate advertising. It attempts to expose the methods of domination of a mass society to foster progressive change. Another option that she discusses is staging protests rallies at WTO meetings, making it difficult for companies to negotiate free trade deals that do not include enforcement of basic labour laws and environmental codes. Still another option is to organise boycott of brand-name products unless multinationals agree to improve conditions in the third world sweatshops where their products are manufactured.

She concludes that the task of eliminating the inequalities at the heart of free-market globalisation is daunting, but much can be accomplished by appropriately targeted protest activities.

Interview: Naomi Klein

The following interview has been taken from Frontline. Since 1983, FRONTLINE has served as American public television's flagship public affairs series. Hailed upon its debut on PBS as "the last best hope for broadcast documentaries," FRONTLINE's stature over 30 seasons is reaffirmed each week through incisive documentaries covering the scope and complexity of the human experience. Visit www.pbs.org for more information.

What is Brand versus a Product?

Brands and products are enmeshed from the beginning. But you have to go back and look at what role the original logos and trademarks played for products. And it really was very much entwined with the dawn of industrialization, mechanization, mass transportation. The first sort of corporate mascots like Aunt Jemima, Uncle Ben's [emerged when] people were buying products that were coming out of factories; that were coming off of trains, coming from long distances that they used to buy from a local shopkeeper, from a local farmer whom they had a relationship of trust with. You would be buying food or farm equipment. You would be looking in the eye of the person who made it, who grew it, and you would have that trust. So it was quite jarring for people to suddenly be getting products that were coming from distances and from people that they'd never met. So the original brands, the original logos, the role that they played was essentially as a surrogate relationship. So you would have this kind of "down-home," comforting, maternal or paternal figure. So the actual role it was playing was as a mark of quality, as a guarantee of quality on the product itself.

The transition that has happened since that time – and it's come in waves; it wasn't invented in the '90s, but it sort of skyrocketed in the '90s – was the idea that if you wanted to really be successful in a highly competitive marketplace, simply having a mark of quality on your product isn't enough to give you an edge. In a marketplace where it's so easy to produce products, where your competitors can essentially match you on the product itself, you need to have something else. You need to have an added value, and that added value is the identity, the idea behind your brand. And this is spoken of in many different ways, "the story behind the brand." I don't think we can understand this phenomenon just in terms of how easy it is to produce products. I think it also has to do with a reaction to a culture in the '80s where people were longing for some kind of deeper meaning in their lives.

So what brands started selling was a kind of pseudo-spirituality – a sense of belonging, a community. So brands started filling a gap that citizens, not just consumers, used to get elsewhere, whether from religion, whether from a sense of belonging in their community. Brands like Starbucks came along and talked about their brand as itself being a community, the idea that Starbucks is what they like to call a "third place," which is not their idea; it's the idea of basic citizenry needing a place that is not work, that is not home, where citizens gather. And they have privatized that idea in a way, and that's really what is behind a lot of these brand meanings: a privatized concept of what used to be public.

So what brands started selling was a kind of pseudo-spirituality – a sense of belonging, a community. So brands started filling a gap that citizens, not just consumers, used to get elsewhere, whether from religion, whether from a sense of belonging in their community. Brands like Starbucks came along and talked about their brand as itself being a community, the idea that Starbucks is what they like to call a "third place," which is not their idea; it's the idea of basic citizenry needing a place that is not work, that is not home, where citizens gather. And they have privatized that idea in a way, and that's really what is behind a lot of these brand meanings: a privatized concept of what used to be public.

Most of it does actually, ironically, have to do with a longing for public space. If you think about Disney, for instance -- one of the most successful brand builders of all time -- they really are selling an idea of a lost American town where there was a town square and your kids were safe to walk in the streets. And they first built that in their films, then brought it to life in their theme parks, and expanded it into cruise ships and things like that, holidays. And then they took it further, of course, with [the planned community] Celebration, Fla., where you pack up the kids and move inside the brand. I find it really interesting that Disney describes Celebration as a tribute, a celebration of public space. What's interesting about Celebration, Fla., is that there are no brands there. Once you actually achieve brand nirvana, what you want to do is you want to seal the exits. There's no competition, and you've got full synergy, full vertical integration, and there's no need for marketing.

It's one of the ironies of our branded age, that unbranded space. Public space, or pseudo-public space, is now a luxury item that is only really available to the very rich. Once you move up the class hierarchy, things get a lot more tranquil and quiet, and you sort of pay not to be marketed to. HBO is the same in a way. You pay extra not to be advertised to. Bahamas bans McDonald's. When rich people get together, they want to be protected from the brands that they got rich creating.

Did Brands Come to the Rescue, Filling a Need for Community or Meaning in Society?

I think brands definitely are filling a very real need. The question is, are they filling it well? I believe that they tend to fill it in a fairly unsatisfying way. You can go to these brand temples like Niketown, and you can get a piece of the story, the narrative, the dream behind that brand. But when you get home, it is just a pair of sneakers, right? And they might be a good pair of sneakers, but in the end, it is a laptop and a pair of running shoes. They might be great, but they're not actually going to fulfill those needs, which serves them very well because, of course, that means that you have to go shopping again to try to fill them.

This discussion is not really about pointing fingers at Nike or Starbucks and going, "How dare you sell these ideas to us?" From my perspective as a political activist who cares about these issues, I just sort of feel happy that they've done our market research for us and proven that we actually really do want more than we're getting from our culture, which would mean that we have our marching orders. There are these desires that are being expressed in ways that they're not actually being met through shopping, and it's a challenge to try to meet them in other ways.

Do Brands Enhance Democracy?

Well, there tends to be a lot of conflation going on around the democracy issue. I think most brands have a fairly contradictory relationship to the idea of consumer choice and consumer participation. I think that there is definitely a growing awareness that there's a huge amount of power to be harnessed in involving consumers in the construction of your brand. This is the trendy thing to talk about now. At the same time, branding at its core is about consistency and control. When they're not talking about their spiritual journeys, brands are talking about protecting their trademarks and consistency across the board. This has to be enforced very, very rigorously, whether that means cracking down on a 12-year-old kid for violating your trademark on their homepage or making sure that at every outlet of Starbucks, you have your certain visual signifiers and so on. It is about consistency; that's what makes it a brand.

So it's this oddly schizophrenic situation where the marketing department is saying, "Harness this energy, this democracy," and at the same time, the trademark lawyers are saying, "Get this under control, and sue people for sharing online." So I think really democracy, citizen participation in our culture, is generally met with lawsuits by these same corporations, whether it's for trademark violation or file sharing. So the kinds of participation that are acceptable within corporate branding is very limited. But the key decisions and the key edits are made behind the scenes.

It's really complicated, because in many ways, I would say that people rightly feel that corporations are more interested in their opinions than their politicians are. So once again, you see corporations sort of fulfilling a role that probably should be fulfilled elsewhere. Generally I think people don't feel terrifically listened to at work; they don't feel terrifically listened to by their politicians. Yet these brands are constantly canvassing their most minute shades of opinion. But I don't think that's actual democracy or participation, because the stance of the consumer is not the same as the stance of a citizen. The customer is always right: "It's my money. You have to listen to me." I think if we're confusing that with democracy or actual citizen engagement, it's because we've actually lost touch with what democracy and community really does mean, because it's a much more complex give-and-take process of human beings interacting with each other and not "This is my opinion; take it; act on it," which is the consumer's stance vis-à-vis these companies.

But once again it's contradictory, because if you look at a company like Starbucks, which gained pop-culture currency in the mid-'90s because of this idea of this plethora of minute choices -- sometimes called "the tyranny of small decisions," right? You can choose a million things about your coffee, but Starbucks, at the same time, has been very resistant to any kind of scrutiny around how their employees are treated when their employees started to unionize, how their coffee is grown when there's been pressure for them to switch to fair-trade coffees. They've made small concessions along the way, but you very quickly encounter a wall of obscurity [in] contrast [to] this perception of total openness and total participation when it comes to consumer choice.

What Happened on April 2, 1993?

A lot of this craze for spiritual branding, for this idea of selling ideas as opposed to products, comes from an idea that gained currency in the '90s, on a day in April 1993 that was called Marlboro Friday. This was the day that Philip Morris decided to drop the price of their cigarettes, which led to kind of a hysteria on Wall Street and within the ad world, because the idea is that if you have a truly prestige brand, and there aren't that many truly prestige brands -- Marlboro, Tide, Coke, Disney ... the iconic brands -- once you reach this status, and you reach this status by investing for decades, hundreds of years in building that image, once you've reached that status, you're no longer competing in what's called a commodity marketplace. You're no longer competing just with other people who happen to sell cigarettes. You've sort of transcended that world, and you earned it; you bought it. How did you buy it? You bought it with all the advertising spending, all the billboards bought, all the magazine ads you bought, all the television ads you bought. You bought that prestige. You bought your way out of the commodity marketplace. This is how people rationalize massive spending on advertising.

And when one of the prestige brands like Marlboro decided that they had to compete on price, this was seen as evidence not that people were quitting smoking -- which was odd, actually, in retrospect -- but that the very idea of the prestige brand was losing its cachet, and that consumers were becoming more and more price-savvy, more and more conscious of price. Let's remember this was happening during a recession, and companies like Wal-Mart were taking off at this point, and their whole selling point was, "It's cheaper." So all these companies that never thought that they had to actually worry about price, that they could be so much more expensive than their nearest competitors, suddenly thought, the brand is dead; we are now in a commodity marketplace, which from the perspective of a marketer is a very, very bad place to be.

But this Wasn't True

It turned out not to be true. It was true for some of the classic brands like Frito-Lay, Kellogg's, Philip Morris. They actually were getting beat out on price. But what people who watch these trends noticed was that there were a handful of brands that were actually soaring, even during the recession. These were the superbrands like Nike, Starbucks, The Body Shop. And what they noticed these brands had in common was that they were engaging in a sort of pseudo-spiritual marketing. And they had flatly refused to engage in any [advertising] saying, "Buy our product because it's better than our competitor," or, "It's higher quality; it's cheaper." None of that. It was The Body Shop talking about a socially conscious company. It was Nike talking about being the very embodiment of sports, and more than that, being the very embodiment of the spirit of sports, which Nike said was the spirit of transcendence itself. These brands that were telling these quasi-religious stories were somehow exempt from the "brand crash."

So then you saw this huge rush. Everybody wanted to hire brand consultants right after this, because these were the companies that were escaping the commodity marketplace. So then there was this wave of corporate epiphanies in the mid-'90s where all these companies were told, "Your problem is you don't have a big idea behind your brand," so they would hire high-priced consultants, have these kind of corporate sweat lodges and gather around the campfire and try to channel their inner-brand meaning. And they would emerge from these processes sort of flushed and saying, "Polaroid isn't a camera; it's a social lubricant," and things like that. And a lot of people got very rich.

And this really progressed to total absurdity with the dotcoms, where you had companies that essentially didn't exist except for being a logo and a doodle and an idea. Brand mania had reached such a point – it was the combination of technology mania and branding mania that created that bubble.

Can You Talk More about Companies and their "Epiphanies?"

Nike was the essence of sports, transcendence through sports. Starbucks was community, the idea of the "third place" that is not home and not work. Disney is family. Virgin is the sort of rebel working stiff, the rebel inside their suit. Benetton, of course, was marketing racial diversity and multiculturalism. The Body Shop was marketing environmentalism.

So nobody was actually selling what they were selling. I mean, I interviewed Anita Roddick [of The Body Shop] when I was writing No Logo, and she told me that she sees her stores only [as], as she put it, a "green box" on which to stand on and shout out on the issues that she cares about; that basically the whole thing was sort of a prop.

Not a Terrible One, in her Case

Well, I think Anita Roddick is in some sense in a class of her own, and I think that that's true for Ben & Jerry's as well. I think that it's definitely a very complicated relationship that these people have with their companies. But generally what happens to these companies, where you do have a CEO that convinces themselves that the whole thing is an elaborate prop for them to make the world a better place, is that their shareholders eventually intervene, and the company either gets sold -- Ben & Jerry's -- or essentially control is taken away from the figurehead CEO -- The Body Shop.

How has Marketing moved away from Traditional Outlets like the 30-Second Television Ad?

If everybody is doing the same thing, we develop immunities, so it's not so much that we're demanding this escalation; it's just that we've become immune to older advertising methods, and sometimes we just become immune psychologically. Sometimes we use technology to become immune, and as soon as an ad comes on, we change the channel. So that's why the advertising as interruption falls out of favor and in favor of the full integration, for instance. Reality TV has proven to be an incredible platform for marketing seamlessly woven into the whole concept of the show. Ford Explorers are part of Fear Factor. This is not that we are asking for this as consumers; it's the opposite. We are changing the channel because we don't want the advertisements. So that's why it becomes more integrated.

This is very much related to brand, to the idea that you're selling an idea as opposed to a product. Once you decide that you're selling an idea as opposed to a product, you need to find a way to express that idea. You have your corporate epiphany, and you decide that you really stand for community or democracy or peace or love. Well, how do you express that? Well, it's hard to really express that through a running shoe or a computer. You have to somehow bring that idea to life.

And there's a few ways that you can do that. You can look out into the culture and say, "Who's actually embodying that?" Well, maybe it's a sports team; maybe it's a jazz festival; maybe it's a school. So you try to merge with that. You tag onto it through corporate sponsorship, but that's not enough, because it keeps ramping up. So the trend in branding is for the brand to become the infrastructure, not to tag onto our culture, [but] to sort of associate with the culture that it wants to be associated with -- whether it's music, theater, sports, young people. It's to actually sort of supercede it and become the actual cultural infrastructure, and then we sort of live inside the brand.

Brands tend to be competitive. This is what all of this is about. And they're not just competitive with their competitors in the marketplace. If a brand is sponsoring a rock concert or a hip-hop show, they're competitive with the bands themselves and want to make sure that they are actually the star of the show.

Tommy Hilfiger did this a few years ago where first, Tommy Hilfiger decided that their brand was rock 'n' roll. They started sponsoring as many shows as they could. Then they started making clothing for rock stars like Mick Jagger. Then it was just a really interesting evolution, because their ads started off showing actual rock stars, but then it sort of transitioned into just models holding guitars. That was [representative of] something that Nike CEO Phil Knight once said: "Our competitors in the marketplace are not just Reebok anymore." He felt that they'd blown Reebok out of the water. He said, "Our competitor is Disney; our competitor is anyone who is in this realm of the megastar," and of course that means that on some level, even though they don't want to admit it, their competitors are also Michael Jordan and Tiger Woods, who are the athletes who created so much brand meaning for them, because of course those athletes all want to be their own brand.

We're seeing that more and more, where celebrities create their own logos -- like J. Lo -- or rebrand themselves -- like P. Diddy. And then you have their fans learning cues from them and internalizing the idea of the person as their own brand, using those skills whether they're auditioning for a reality TV show [with] this sort of hyperconsciousness of like, "I'm the funny one," or you see yourself not as a person but as a brand that will fit into a script; or even with Internet dating, where people are packaging themselves as brands, like Ben and Jen, right? I think that that model is being set at the sort of upper echelons of celebrity, but it's being played out in miniature, without the cameras on, or maybe with the cameras on.

Companies Now Seem Distanced from Actual Processes Of Production

Well, branding, this process of selling an idea as opposed to a product, is not the same as advertising. It's actually in many ways the end of advertising, because it ramps up to the point where you're actually building these fully enclosed branded [lives], fully synergized branded lives, which is a lot more expensive than just taking out an ad and saying, "Hey, guys, we've got a new product coming out."

All of these companies, without exception, that have embraced this ideology have simultaneously embraced a model for producing their products where they don't own any of their factories, where they see production as being really a kind of a menial sideline to their actual production. Their actual production is the production of image, the production of meaning, the production of intellectual property, which is extraordinarily costly and which, on a business model, tends to be incompatible with owning your own factories, having lasting relationships with your employees.

Often, if you read business text, a company like Levi's will be scolded for not having a strong enough brand. In the late '90s, I remember an article in The New York Times saying Levi's problem is not their jeans; it's that they don't have a line of house paint, because at this point, Ralph Lauren had a line of house paint, and there was this idea that the Levi's brand, which is a quintessential American brand like Marlboro, was dying because they hadn't found their soul, they hadn't found their big idea, and they were still just selling jeans. How dare they? So they were scolded and told that they had to embrace this model by Wall Street. Levi's was known in the garment industry as being a company that had among the better employment standards. They owned their own factories; they were experimenting with all kinds of different production models in the South. And all of a sudden, Levi's took this advice, and they were very, very open about this. They said, "We are investing more in our brand; we'll have more sort of experiential superstores, more sponsorships, and we are divesting from our factories in the South." And this was reported on as "Levi's moves its factories from Texas to China, from Texas to Mexico."

But that's actually not what happened at all. What happened is that Levi's closed those factories in Mexico, and, in fact, they've closed their last North American factories this year, and they never reopened them. They never became Levi's factories elsewhere. They became contracts to place with contractors who then placed them with subcontractors, and this is a commentary on the value that is placed on work and production and craftsmanship. It's very important to see both ends of the production. These sort of corporate dreamscapes that we have here in New York in many ways are being subsidized by workers in the South, who not only are being paid pennies for their work, but had absolutely no security because they're working on contract -- contractors who are working for contractors.

So What are We Producing?

We're producing brands. There's a branding agency called The Brand Factory that I know of, and the discussion of brands, from the perspective of designers, from the perspective of marketers, is the language of production -- that they are producing the actual product, and that's why they are paid so handsomely for it.

How Do they Maintain such Tight Control Over their Brand Image?

Well, they don't, which is why there's a great deal of high-level negotiations going on about intellectual property. For instance, China is at the World Trade Organization, and one of the main disputes is whether China is going to respect U.S. intellectual property, and whether they're going to adopt TRIPS, which is the Trade-Related [Aspects of] Intellectual Property [Rights] Agreement that's part of the World Trade Organization. This is because China is the outsourced factory of the United States. Stuff leaks out all the time. I believe to have this sort of far-flung production process, this many layers of contractors and subcontractors and not expect your brands to be sold on the streets of Beijing at knockdown prices, is fundamentally incompatible.

And Knockdown Quality

Maybe not. In many cases it's not a different quality at all; they just kept the machines running a few more hours.

Who, If Anyone, is Trying to Resist this Global Marketing of the Superbrands? Are there any Pockets of Revolt?

Well, I think there's been more than pockets of revolt. It's interesting that some of the strongest resistance is not coming from downtown college kids who go to a WTO protest. It's coming from small towns who have a Wal-Mart being built on the outskirts and are looking at the erasing of their community and their culture. But I think that young people actually really do care if other young people suffered to make their clothes. But if you become outraged about something but don't have the ability to act on it, it sort of wears you down. If it isn't possible to go to the mall and buy something that was produced under ethical conditions, which is actually hard if not impossible, then you get used to it. It's the same as advertising: You get desensitized to that experience. I don't think it's that people don't care.

The other thing about this small-town reaction to Wal-Mart is that it shows that we're complicated. We're always told by marketers that all they're doing is giving us what we want. And if you look at people's relationship to Wal-Mart, it's actually quite complicated, because what people are saying is, "If Wal-Mart comes, I will have to shop there." You could have 80 percent of the community saying: "We don't actually want the Wal-Mart. We don't want the Wal-Mart, because if the Wal-Mart comes, we'll go. Maybe not me personally, but other people will be tempted by those prices."

But what that shows, I think, is not that we're hypocrites, but actually that there are different levels of desires. We're not simple. As a consumer, as a housewife with four kids, you may desire to get your washing detergent for a dollar cheaper, but as a citizen of your town, which you also are, you will also be saddened and have a real sense of loss when your downtown is transformed. So that's why these are real political debates, and the debates have to happen.

How has branding Moved into Politics?

I think it was when George Bush went to Baghdad for Thanksgiving and held up the turkey. I have a friend who says that since September 11, she's felt as if she's been living in a movie. What I realized when I saw that image was that, in fact, it's not that American politics is being influenced by Hollywood, but that it's being deeply influenced by Madison Avenue. That image with Bush holding the turkey was a quintessential advertising image. It was more than just a political photo op. He was being treated in a sense as a corporate mascot -- not as a president, but the corporate mascot of the nation. That image of holding that platter is a quintessential advertising image, almost like Aunt Jemima, the early brand images of the comforting corporate mascot.

Now we have a president who really is treated less like a politician than like a mascot, who gets dressed up for various live-action commercials, and I think that this does represent a real change. Obviously photo ops aren't new; obviously image control is not new. But this very conscious staging is quite significant, and I think it's significant as well that [it] turns out the turkey was fake. It wasn't even a real turkey. So I think that contributes to the idea that this was actually not a diplomatic mission. This was not a mission of diplomacy, but it was an advertising issue.

So Madison Avenue Strategies are Migrating into Our Government?

After the war in Afghanistan, there was a marked rise of anti-Americanism around the world. The Bush administration responded to this, particularly to the rise of anti-Americanism in the Arab world, by hiring a brand expert. They hired Charlotte Beers, one of the most established women in advertising. And she was hired to a very senior diplomatic post, and Colin Powell said at the time that he thought that she had gotten him to buy Uncle Ben's rice -- because this was one of her most famous campaigns -- so he thought that she would be able to sell the U.S. to the world.

And it was a really interesting strategy, because of course it really didn't work, and in fact Charlotte Beers quit the job, she said for health reasons. I personally think that her product was faulty, which was why she had to quit. I mean, she had a really quite impossible job, which was selling the brand image of the United States as democracy, freedom, diversity, in a part of the world where people were saying back to her: "No, our experience of the U.S. is supporting regimes that deny us freedom. We associate the U.S. with support for Israel and the occupation of Palestine;

we don't want U.S. troops in Saudi Arabia." People wanted to engage on major policy questions, and the U.S. response to this was essentially the stereotype of the U.S. tourist talking to foreigners, which is when people don't understand you, just talk more loudly and slowly, right? "No, we really, really are about freedom, democracy and diversity." And the response was, "Well, then how come we keep hearing about Arab Americans being rounded up?" These reports started coming back, that reality was interfering with the rebranding project of the U.S.

Charlotte Beers quit when the Iraq war started, and I think that probably having faced this much resistance after the invasion of Afghanistan, she realized that the job was going to become essentially impossible. You actually cannot sell the idea of freedom, democracy, diversity, as if it were a brand attribute and not reality -- not at the same time as you're bombing people, you can't.

Their Experience is Too Different

From what you're selling, right. That's why I'm saying her product was faulty.

They Aren't Receptive to Our Branding Techniques

I don't think so. The logic was, "Hey, they already like our running shoes; they like our Hollywood movies; we'll just sell more stuff to them. Now we'll sell them ourselves." I don't think it's that that part of the world is immune to the persuasiveness of Hollywood and Madison Avenue -- not at all. It's just that there are real policy differences, massive policy differences, life-and-death policy differences, that can't be papered over with marketing. So I think it's more a reflection of a mentality that really doesn't see policy as impacting people's lives that would lead people to believe that in the face of experience, you can just sell a marketing line.

What's the Significance of the Government Taking that Kind of Approach to Afghanistan and Iraq?

I think that when a government openly internalizes and embraces the techniques of Madison Avenue, the techniques of marketing and branding and Hollywood, we start to regard them with the same kind of skepticism or kind of a strange indifference with which we regard anything of artifice. Our relationship to politics is becoming very similar to our relationship to Hollywood: If the special effects are good enough, if the costumes are good enough, it doesn't have to be true; just put on a good show. That's our agreement with Hollywood: The lights go down, and we will suspend disbelief. And I believe that increasingly, the more our politicians act as if they're pitching to us all the time, the more our relationship with them changes along with it.

Like the Jessica Lynch story, which was kind of an action movie that was staged by the military. The truth did come out, which was that the original version, which portrayed the Navy SEALs as incredibly courageous and going up against dangerous foes, Jessica Lynch fighting back, being abused by her captors, all of this was a lie. They had scoped out the hospital ahead of time; Jessica Lynch was actually treated extremely well and compassionately by her caregivers; she was injured in a car accident; and she didn't fight back. This came out, and there were two Jessicas. It's not like one corrected the other. The sort of Hollywood/Madison Avenue version of events, the fake Jessica, coexisted with the real Jessica, who actually came forward and told her story. And it was like, "OK, we'll just have both."

But I think we need to confront when the political culture embraces the culture of the known artifice. We know artifice is a lie; we know Hollywood is a lie; we accept it. When that completely pervades politics, we are being told it's a lie, we're accepting it, and we're saying, "Well, if it's a good enough lie, if it's well told, then we'll move on."

There's Got to be a Collision, at Some Point, between this Artifice and the Truth.

I think it will [happen]. It has to break in America. In the rest of the world, it has already broken. It's why there is such a chasm between what Americans tell themselves about themselves in forums like the State of the Union address and the way they're perceived outside your borders. All of the media attempts, as well as the marketing attempts, to sell the U.S. to the Arab world are being treated as political propaganda by people who actually have a great deal of experience with state propaganda. They know it when they see it. I mean, it didn't help that they used the same [channel] as Saddam's channel, right? For people who are so aware of symbol and image, I'm constantly amazed by how inept some of the signifiers are -- for instance, Paul Bremer [administrator of the Coalition Provisional Authority in Iraq] moving into Saddam's old palace. Surely Charlotte Beers should have told him not to do that.

What are some of the Listening Tools being used to Track Consumer Behavior and Choices?

One of the great ironies of the Internet is that on the one hand it is this tool of incredible individual empowerment. At the same time, we are under the microscope in a way we never have been. Our ability to be tracked online is completely -- short of the CIA just following you around all the time and tapping your phones, this is mass surveillance of a population. I do think that we are aware of it and giving in to it, which I think has quite frightening implications. We are getting used to very, very serious violations of our privacy online. We're used to the idea that all of our purchases are being tracked very closely, our links are being tracked very closely. So if we accept that in this realm, it's OK to be under surveillance all the time and to have all these patterns tracked and coded, then I think it becomes a lot easier to accept being tracked offline, which, of course, is happening, too.

People become Numb, and say, "So what?"

I think that much of what we're talking about is not some kind of revelation. I think people are aware of the conditions under which their products are produced; they are aware that they are under more and more surveillance by marketers, and so on. The "so what?" that you sometimes hear is a kind of a "make me care" response. And I think that the consumer stance – which is that "It's my money, and I paid for it; serve me" – the stance of the consumer as opposed to the stance of an engaged citizen is so pervasive that we actually believe that caring about injustice, caring about the effects our actions have on the world around us, is not our own personal responsibility, but it's someone else's responsibility to actually make you care. There are people who make us care – like, Oprah makes us care – and we buy caring as another product.

I don't believe that anyone can actually make another person care. I think that you can be made to feel feelings of empathy temporarily, and you can have a caring experience that will be fleeting. But caring about the world around you and the impact that you have on others is a very, very fundamental part of being human. No one can do it for you. No one can make you care.

What do you Say to the American who Feels Overwhelmed by all this?

One other thing I wanted to say is that I do think that we care more than we're given credit for. And I always think it's quite amazing that after September 11, there was this amazing outpouring of caring. And the response from the government of the U.S., from Bush, was, "Go shopping." And it wasn't just once or twice. Essentially the entire government response after September 11 in terms of what individuals could do to make a difference was to shop. There was a big campaign in Canada; we got in on this, and we had "Canada Loves New York" weekends, where we would just come here and shop. And the idea that ... the greatest way to express solidarity with people is through consumption, when people were responding in ways that were much, much more significant and human, and [were] helping each other in a time of need, and [then they were] told by the government: "No, do something really isolated; just shop. Save your country; support people that way.”

How Do we Wake up? Can we Break this Cycle of Artifice?

One other thing I wanted to say is that I do think that we care more than we're given credit for. And I always think it's quite amazing that after September 11, there was this amazing outpouring of caring.

I don't think there's a way out of this until we actually -- not to get too New Age here -- but I think we really need to ask ourselves what we're honestly shopping for when we're shopping. Sometimes you're really just shopping because you need something, but shopping is now the primary leisure activity, the primary family activity, and a lot of it is extraordinarily un-fun and unsatisfying. And I think that it is important to ask yourselves what you're actually shopping for. If you are shopping for community, if you are shopping for democracy, you actually are not going to get it at the mall. And you will only be cured of this particular malaise if your find ways to fulfill those desires elsewhere. That’s certainly the only way I kicked my shopping habit.

18.7 SUMMARY

Naomi Klein's 'No Logo' is the bible for anti-corporate and anti-globalisation activism. Her activism stems from her belief that multinational corporations have grown so enormously that they have superseded governments and have become the ruling political bosses of our era. Her contention is that multinational corporations are only accountable to their shareholders and there are no mechanisms or processes in place to enable them to put people before profits.

She divides her book into four parts – the first three parts address the assault on the three social pillars, while the fourth part concludes on the emerging activism.

'No Space,' the first part of the book examines the corporate assault on civic space – the surrender of culture and education to marketing. The second part of the book 'No Choice' talks about the corporate assault on civil liberties, which happens because of predatory franchising and mergers which have reduced cultural choice. The third part, 'No Jobs' stresses on the corporate assault on employment, how multinationals are liberating themselves from the burden of having employees. The fourth part 'No Logo' documents the activism that is emerging in response to this corporate rule.

18.8 ACTIVITY

1. Conduct a survey in your locality, comprising of not more than 100 respondents, on whether they agree to an anti-branding movement.

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18.9 SELF ASSESSMENT QUESTIONS

1. Discuss Naomi Klein's 'No Logo'.

2. What does Naomi Klein mean by no space and no choice?

3. Discuss the third part of the book 'No Jobs' in detail.

Multiple Choice Questions

1. Naomi Klein's activism stems from her belief that________ have grown so enormously that they have superseded governments and have become the ruling political bosses of our era.

   a. Brands
   b. Multinational Corporations
   c. National Organisations
   d. Schools

2. In the US under President _____________ in the 1980s, for example, corporate taxes were dramatically lowered.

   a. George Bush
   b. Barrack Obama
   c. Abraham Lincoln
   d. Ronald Reagan

3. Which of the following statements are true:

   a. There is not a single space brands and branding have left.

   b. Another way that choices have diminished, according to her, is the mergers of large firms.

   c. According to Naomi, corporations have shifted emphasis from manufacturing products to manufacturing brands.

   d. Naomi discusses staging protests rallies at WTO meetings, making it difficult for companies to negotiate free trade deals that do not include enforcement of basic labour laws and environmental codes.

4. Which of the following statements are false:

   a. Naomi asserts that corporate rule has assaulted the three social pillars of civic space, civil liberties and employment.

   b. 'No Jobs,' the first part of the book examines the corporate assault on civic space In the second section Naomi discusses how brands use their size and major influence to put a cap on the jobs of people.

   c. In the quest for developing their brand images, corporations have been contracting the production to third world countries where wages are low.

   d. Nike's CEO Paul Knight puts it, "There is no value in making things any more. The value is added by careful research, by innovation and by marketing."

Answers
1. (B), 2. (D), 3. (A, B, C, D), 4. (B, D)

18.10 RECOMMENDED READING

Book

- No Logo: Taking Aim at the Brand Bullies, by Naomi Klein.

REFERENCE MATERIAL

Click on the links below to view additional reference material for this chapter

Summary

PPT

MCQ

Video Lecture