brand
management
Principles and Practices

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Foreword

Several decades ago, people lugged home from local *kirana* shops unremarkable bags made from the previous month's newspaper. These contained raw kitchen consumables such as rice, sugar, flour, lentils—even *masalas*. Since everyone was buying this way there was nothing unusual. No one complained and life went on.

But there was an unarticulated problem. When the rice from the gunny bag from which the paper bag was filled was exhausted, the next gunny bag had a different quality of product. In this way, month after month consumers paid full value for their purchase but ended up buying inconsistent quality.

The reason for this variable quality was simple. The gunny bag was nameless. So even if the quality was poor, there was no one who could be held responsible. The kirana shop was simply a conduit for smuggling in dubious quality that had been sourced from a huge godown, which in turn was piled high with more nameless bags. This was the era of the commodity.

The market changed when someone raised his hand and said, 'I will guarantee excellence.' He did that by placing a name and an emblem on a plastic bag and then working to ensure that each contained quality as promised. The story of branded goods begins here.

Over the years, consumers realised that the gentleman who had promised to supply guaranteed quality had, indeed, lived by his word. And the gentleman in turn realised that the name and emblem was now being recognised as a symbol of assurance. People could blindly reach out for it and feel a sense of comfort. So for the first time, there was a value that began to be attached to the name; this was simply the premium people were now willing to pay—and, interestingly, without demur—for peace of mind.

As more consumers accepted the fact that brands offered great value, more entrepreneurs raised their hands with the promise of at least equal quality. But equal quality did not provide an edge in the marketplace and a search for a product plus began. In this way consumers became more demanding and brands more powerful.

The race for a share-of-pocket led to a highly complex market. In this volatile environment, battle-scarred category leaders were born. They were modern-day pied-pipers and they did everything right.

They researched the market, learnt to read the data that it threw up, developed products that consumers sought, created demand where none existed, crafted marketing and advertising strategies to reach an increasingly restless audience, and battled to protect hard-fought gains.

This book, *Brand Management—Principles and Practices* by Kirti Dutta, is an exceptional treatise on what makes a brand tick, what powerful doctrines come into play, the challenges that brand development faces, how brands can survive in a volatile market, why they need to be re-energised, how marketing and communications strategies are developed… in fact, everything an ardent student or a curious reader wants to know about brands is out here in this exceptional commentary of real brands, real people, and real markets.

Anmol Dar
Managing Director
Superbrands India Private Limited

Preface

A brand is not a name or an accessory added at the end of the production process. It is a value that needs to be considered at each and every step of the creation of the product. Branding is that differentiating factor that ensures the success of an organization in a highly competitive and product-cluttered world. A brand is a perceptual reality for the consumers. Consumers draw strength from the superior value associated with the perceptual entity of the brand. The brand perspective thus decides the fate of the firm in the marketplace. This is further reiterated by the fact that even though new brands are being launched, the success ratio for new brand launch is just 5 per cent. The growing importance of brand equity can be gauged by the fact that the focus of corporate mergers over the last decade has been more about the brand equity or the intangible assets of the brand rather than the existing focus on synergies to gain economies of scale.

A brand can be delineated at three levels: organizational (through its vision), internal stakeholders (through internal branding), and external stakeholders (through brand identity and image). When these three move together in unison like a wheel, it ensures that the brand will go places. Brand is therefore a powerful force that binds the consumers with the organization and provides value to both the external and internal stakeholders. Brilliant execution of a brand provides innumerable opportunities in terms of brand extensions, and successful brands can be used to endorse new brand launches, which can lead to a portfolio of strong brands.

Building a strong brand also requires an understanding of the brand in terms of product, pricing, promotion, and distribution. The Internet is an important growing media tool and is necessary both for communicating about the brand and for selling the brand. Building resilient brands requires an understanding of the brand architecture and branding strategies like brand extension and stretching. These then need to be managed over time for a profitable innings. Brands can consistently create excitement and buzz (with the help of various strategies) in the marketplace and be ageless and young forever. A brand can cash in on its effort by going global and also enhance its brand equity in the process.

ABOUT THE BOOK

Brand Management—Principles and Practices is specially designed to meet the needs of management students, faculty, and practitioners by presenting a comprehensive overview of creating, understanding, managing, and building brands. The book provides a complete understanding of brand management: from the steps that can be followed to create a brand to how the

brands can be sustained for longevity and growth of the organization. It tries to demystify and simplify the concept of creation, execution, and management of successful brands for current and future brand managers. The book is an attempt to understand how to build and manage a successful brand, so that the benefits can be reaped by the organization in monetary and non-monetary terms. It explores key topics such as brand identity, brand personality, brand image-building, researching and managing brand equity, organization culture, consumer behaviour towards a brand, and positioning of the brand.

PEDAGOGICAL FEATURES

The book provides a comprehensive understanding of a brand from both the consumer and brand management perspectives. The key concepts are explored with the help of global iconic brands, with a special focus on successful and resilient Indian brands like Amul, Life Insurance Corporation (LIC) of India, Godrej, Tata, Aditya Birla Group, Boroline, etc.

Every chapter starts with outlining the scope of the chapter and concludes with key definitions and summary for better assimilation of the content. The text in each chapter is full of rich images and corporate examples and includes boxed exhibits for better understanding of the theoretical concepts explored. The critical review questions and Internet exercises help in applying the concepts studied to real-life situations. Each chapter is followed by a case study that helps in providing an understanding of the concepts studied. The case studies are contemporary and help in enhancing the analytical skills of the students. Each chapter has a link with the accompanying CD for better understanding of the concept and also CD exercise(s), wherein the student can think beyond the concepts discussed in the chapter through the videos and presentations that have been provided in the CD.

KEY FEATURES

The key highlights of the book are:
- Looks at the concepts and pioneering research works of various practitioners and authors, and provides a holistic and broader learning
- Provides rich insights into successful brands and includes exhibits with marketing insights from industry
- Includes unique topics like creating a brand, understanding organizational culture for successful branding, consumer behaviour and brand buying decisions, and e-branding
- Has been written in Indian context and numerous examples and case studies of Indian brands such as Kingfisher, Maggi, Airtel, Aircel, Micromax, ITC, and LIC have been discussed, which provide rich learning from their brand practices
- Discusses practices of global and Indian companies such as Singapore Airlines, Lux, Amul, Tata Group, Aditya Birla Group, and so on
- Explains concepts through tables, exhibits, images, figures, and case studies
- Provides Internet exercises for each chapter to practice the concept studied

The key highlights of the CD are:

- Links each chapter with the CD and provides an understanding of key concept of the chapter and includes exercise(s) for enhancing decision-making abilities
- Includes insights about renowned brands by their brand managers through video case studies, television commercials (TVCs), and presentations of iconic brands such as Aditya Birla Group, Amul, Yamaha Motors, Vodafone, McDonald's, Max New York Life Insurance (MNYL), and Adani Wilmar Group
- Includes a video on the making of Zoozoos, the popular Vodafone characters, which help in understanding the creative side of branding

COVERAGE AND STRUCTURE

The book is divided into five parts containing fifteen chapters, along with a multimedia CD. Various aspects of branding have been explored to provide a complete overview of brand management.

Part I, Overview of Brand Management, consists of three chapters.

Chapter 1, Introduction to Branding, explores the concepts of brand and branding. The history of branding, need for building strong brands, and the various challenges and opportunities that exist are explained. Chapter 2, Creating a Brand, explores the process of creation of a brand, starting from the vision and mission of the organization, the brand vision, and the creation of the brand identity to growing and sustaining brands over time. Chapter 3, Understanding Organizational Culture for Successful Brand Management, delves into the importance of aligning the staff with the brand value and performance, so that integrated welcoming experiences are delivered.

Part II, Understanding and Measuring Brand Equity, consists of three chapters.

Chapter 4, Brand Equity, gives an understanding of the concept of brand equity from consumer perspective and business customer perspective and discusses various factors contributing to brand equity. Chapter 5, Researching for Brand Equity, explains the various qualitative and quantitative measures that help track a brand and also understand the impact of various brand-building tools. Chapter 6, Measuring Brand Equity, explores the various ways by which brand equity can be measured, from the financial and consumer-based brand measures.

Part III, Understanding Consumers and Markets, consists of two chapters.

Chapter 7, Consumer Behaviour and Brand Buying Decisions, draws on the integrated approach of the main theories of consumer behaviour, how the customer decides about a purchase, and various factors affecting consumer behaviour vis-à-vis branding. Chapter 8, Brand Positioning, discusses the ways in which a brand can be positioned, so as to build a favourable perception for the brand in the target market.

Part IV, Managing Brands, consists of three chapters.

Chapter 9, Branding and the Marketing Programme, discusses the strategy to be adopted for the product, pricing, and distribution aspects of the brand and how all these strategies should provide a consistent brand image to the consumer. Chapter 10, E-branding—Building the

Brand Online, recognizes online media as an attractive tool to reach the audience and explores its use to build a brand.

Chapter 11, Branding and Marketing Communications, discusses the management of the different channels of marketing communications from the perspective of building a brand and maintaining and enhancing brand equity.

Part V, Building Resilient Brands, consists of four chapters.

Chapter 12, Brand Strategies, gives a perspective on leveraging an established brand in the market through brand extensions and various branding and naming strategies. Chapter 13, Managing Brand Architecture, provides insights into how to manage brands successfully and how the brand portfolio can be rationalized to maintain a bouquet of successful brands. Chapter 14, Brands Over Time, discusses a number of strategies leading to brand longevity and strategies that can help the brand stage a comeback and be successful. Chapter 15, Brands in a Borderless World, provides an understanding of the various challenges and opportunities that a brand must address while going global. Localization and standardization strategies have been discussed along with the brand strategy that can be followed for global brand success.

IN THE CD

The CD content is closely linked to the main text. A CD icon in the left margin of the text indicates digital support. This content, which would be very useful for classroom sessions, is divided into the following two modules.

Understanding the Text   This module contains 24 videos, 5 presentations, 6 e-cards, and 12 wallpapers. Each chapter has a link with the CD for better understanding of the concepts through the accompanying material.

CD Exercises   This module contains 15 videos. Through these, the student can think beyond the concepts discussed in the chapter.

System Requirements

* Operating System: Windows 2000 and higher
* Flash Player: Version 9 and higher
* Processor Speed: 500Mhz
* Sound card and speakers

Note: For security reasons, this CD is copy-protected. Users working on a LAN may need administrative rights to run the CD the first time.

CD Content

The CD content is divided in the following way:

Chapter	Understanding the Text	CD Exercises
1. Introduction to Branding	• Amul Corporate Ad	• Aditya Birla Corporate Ad – The Chase
2. Creating a Brand	• Presentation on Creating the Aditya Birla Brand	• Adani Wilmar Corporate Ad

Chapter	Understanding the Text	CD Exercises
3. Understanding Organizational Culture for Successful Brand Management	• Presentation on Organizational Culture at Aditya Birla	–
4. Brand Equity	• Fortune 5 ka Ashirwaad TVC • Fortune Kachi Ghani Oil TVC • Fortune Saina Nehwal TVC	• Idea Date TVC • Idea Glory TVC
5. Researching for Brand Equity	• Presentation on Aditya Birla Brand Research	–
6. Measuring Brand Equity	–	–
7. Consumer Behaviour and Brand Buying Decisions	• Presentation on MNYL Shiksha Plus • MNYL Actor TVC • MNYL Painter TVC • MNYL Cricketer TVC	• MNYL Pension Plan TVC
8. Brand Positioning	• Background Music Vodafone Zoozoo TVC • Beauty Alert Vodafone Zoozoo TVC • Busy Message Vodafone Zoozoo TVC • Call Filter Vodafone Zoozoo TVC • Prayers Vodafone Zoozoo TVC • TVC of Idea 3G Gym	• MNYL Karo Zyaada ka Irada TVC • MNYL Your Partner for Life TVC
9. Branding and the Marketing Programme	• TVC of India Yamaha Motors	• Idea Language TVC
10. E-branding— Building the Brand Online	• Six Vodafone Zoozoos e-cards • Twelve Vodafone Zoozoo Wallpapers	–
11. Branding and Marketing Communications	• Video on the Making of Vodafone Zoozoos	• TV Interview of Mrs Rajashree Birla • Fortune Refined Oil TVC
12. Brand Strategies	• Fortune Kachi Ghani TVC • Fortune Soya Oil TVC • Fortune Sunflower Oil TVC (Tamil)	• Corporate Ad of Amul • MNYL Life Insurance TVC • MNYL College Plan TVC • MNYL Pension Plan TVC
13. Managing Brand Architecture	• Fortune Kachi Ghani TVC • Fortune Soyabean TVC • Fortune Refined Oil TVC	• Idea TVC
14. Brands Over Time	• Presentation of Various Topical Print Ads of Amul	–
15. Brands in a Borderless World	• Presentation on McDonald's • European McDonald's TVC • Indian McDonald's TVC	• Aditya Birla TVC—Taking India to the World

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I would also like to thank Mr Anil Katyal, Vodafone, for providing the invaluable inside perspective on the making of the Zoozoo phenomenon, which provides rich creative learning experience, where the user can witness firsthand the development of the concept of building a brand character and its successful implementation.

I would like to express deep thanks to the following individuals and institutions, which have been very supportive in sharing their resources for this publication. The vivid images of the print ads and the insights into various iconic brands that have been an added resource for our exhibits and have provided a crisp perspective to the discussion were possible courtesy Superbrands India. My sincere thanks to Mr Anmol Dar and the team for putting special efforts into arranging the same, especially when their own edition was going into print. The videos and presentations in the CD were possible due to the efforts of Dr (Mrs) Pragnya Ram (for Aditya Birla corporate ads, presentations, and Idea ads); Mr R.S. Sodhi and his team (for brand Amul ads); Ms Monica Mudgal, Ms Anisha Motwani, Mr Sumit Sehgal and their team (for ads and presentation for MNYL); Ms Abha Mary Xess and Vikas Raheja (for brand Yamaha ad); Mr Angshu Mallick and his team (for the various Adani Wilmar and Fortune ads); Mr Anil

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I would like to thank all my students for developing my perspective over the years. Their inquisitive minds have always challenged the limits and helped me explore and expand the learning curve.

Kirti Dutta

Features of the Book

Creating a Brand

Understanding Organizational Culture for Successful Brand Management

E-branding—Building the Brand Online

Consumer Behaviour and Brand Buying Decisions

Managing Brand Architecture

Exclusive Chapters

Includes exclusive chapters that help in better understanding brand management

Learning Objectives

Includes the main objectives/concepts that would be discussed in the chapter

LEARNING OBJECTIVES

After reading this chapter, you will be able to understand the following:

- Concept of branding
- Significance of branding
- How branding evolved
- Need to build strong brands
- Key issues in branding

ABOUT THE CHAPTER

In this book, we begin the journey of learning about branding by first exploring the concepts behind brands and branding. This chapter introduces the idea of a brand. It begins by tracing the history of branding, so as to give an idea of how branding has evolved over time and where it stands today. The chapter then builds a case for the need to build strong brands, and discusses the various challenges and opportunities that exist, which can be leveraged by organizations to create perceptual differentiation in the minds of the customers. Organizational success in the twenty-first century is defined by 'what' the organization does (i.e., what products or services it offers) and most importantly 'who' the organization is (i.e., the corporate brand) (Keller and Aaker 1998; Keller and Richey 2006). This highlights the importance of building a successful brand in a highly competitive and maturing market scenario.

Chapter Introduction

Provides the scope of each chapter

CD Links

Includes CD links that aid in better understanding of the concepts discussed in the book

See how Amul is providing functional benefits to its consumers through the use of its moppet as a symbol.

Brand–customer relationships   This includes the relationship the brand develops with its customers, and consumers can associate the brand as their party companion, friend, adviser, etc. For example, Titan launched its Raga series targeted at women with the 'ek khoobsorat rishta' (a beautiful relationship) ad featuring Rani Mukherjee. The ad showed Rani waiting for her man with the watch as her companion.

See how Amul is providing functional benefits to its consumers by providing brand/customer relationship.

Exhibits

Includes a number of exhibits on Indian and global brands

Exhibit 1.4   Branding Eggs

The approximate consumption of eggs in India stands at 360 crore per month, and out of this around 60 lakh eggs are from the branded category. This segment is catching up in the metros with a growth rate of 20 per cent. Suguna group, Vangili Feeds, Keggs, and SKM are some of the key players in this segment that have differentiated their eggs on the basis of protein, less fat content, herbal features, odourless eggs, etc.

These eggs ensure quality and convenience to the customers, are hygienic, and have a premium look. Modern retail has given a fillip to retailing of branded eggs with stores such as Nilgiris, Easy Day stores, Spencers, More, etc. storing these branded eggs. The eggs are priced higher than the normal eggs, and if a pack of six normal eggs cost ₹18, the same number of branded eggs may cost up to ₹45 (Sujatha 2010).
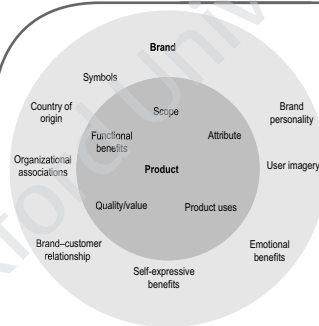
Images

Includes various print advertisements, screenshots, and colour plates

Courtesy: Superbrands

Figures

Includes numerous of figures for easy comprehension

Source: Adapted from Aaker and Joachimsthaler 2000.

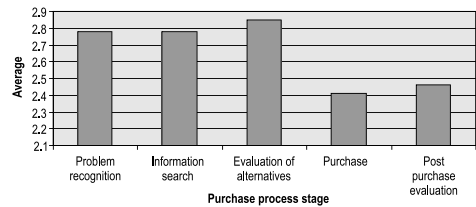**Figure 1.1**   A brand is a product and much more

Figure 5.2   Impact of branding on purchase process stage

Tables

Includes numerous tables that supplement the concepts discussed

Table 1.2   The top twenty most-trusted brands

Brand	Rank (2010)	Rank (2009)	Brand	Rank (2010)	Rank (2009)
Nokia Mobile Phones	1	1	Close Up	11	11
Colgate	2	2	Good Knight	12	21
Lux	3	3	Rin		
Dettol	4	5	Tata Salt		
Britannia	5	9	Pepsi		
Lifebuoy	6	4	Maaza		
Clinic Plus	7	15	Vodafone		
Pond's	8	16	Maggi		
Fair & Lovely	9	18	Glucon-D		
Pepsodent	10	8	Thums Up		

Source: Brand Equity, 2010.

Table 1.4   Top ten most-trusted brands over the years

Rank	2001	2002	2003	2004	2005–06	2007	2008	2009	2010
1	Lux	Dettol	Colgate	Colgate	Colgate	Colgate	Nokia	Nokia	Nokia
2	Colgate	Britannia	Dettol	Lux	Lux	Vicks	Colgate	Colgate	Colgate
3	Rin	Colgate	Pond's	Rin	Dettol	Lux	Tata Salt	Lux	Lux
4	Thums Up	Tata Salt	Lux	Dettol	Pond's	Nokia	Pepsodent	Lifebuoy	Dettol
5	Dettol	Lux	Pepsodent	Tata Salt	Tata Salt	Britannia	Pond's	Dettol	Britannia
6	Fair & Lovely	Coca-Cola	Tata Salt	Pond's	LIC	Dettol	Lux	Horlicks	Lifebuoy
7	Surf	Pepsodent	Britannia	Fair & Lovely	Vicks	Lifebuoy	Britannia	Tata Salt	Clinic Plus
8	Coca-Cola	Pond's	Rin	Britannia	Britannia	Pepsodent	Dettol	Pepsodent	Pond's
9	Pepsi	Pepsi	Surf	Vicks	Rin	Pond's	Lifebuoy	Britannia	Fair & Lovely
10	Horlicks	Thums Up	Close Up	Bata	Bata	Tata Tea	Vicks	Reliance Mobile	Pepsodent

Source: Brand Equity, 2010.

SUMMARY

Measuring brand equity is important for an organization as it provides feedback about its branding activities. The measured equity is a report card of the organization and provides a backdrop for taking necessary action, so that the brand maintains its differentiation and lead in the market. The financial perspectives provide monetary value for brand equity and are important for mergers and amalgamations, whereas the customer perspectives provide a sound basis for the strategic and tactical marketing strategies of an organization.

The various ways by which both can be measured are discussed and the methods that may be used by the organization, keeping in mind the nature of the organization, are outlined. The ways in which brand value or the financial value can be measured are cost-based valuation, market-based valuation, the royalty-relief method and the economic use method. Brand strength or the customer-based measures that can be adopted by an organization are: The Brand Asset Valuator Model and the Aaker Model.

The Brand Asset Valuator Model developed by Young and Rubicam measures brands on the basis of differentiation, relevance, energy, esteem and knowledge. On the basis of the brand's performance along these parameters they are then categorized into four quadrants—unfocused/new, niche/unrealized potential, leadership declining and eroding. The Aaker Model consists of loyalty measures, perceived quality, awareness, differentiation measures and market-behaviour measures. These two measures can also be combined to measure the performance of an organization like in the example of Millward Brown discussed in the chapter.

Summary

Includes chapter-end summary that aids in recapitulation of the concepts discussed

Key Terms

Includes the main terms discussed in the chapter, along with brief definitions

KEY TERMS

Brand associations   Anything and everything that is linked to a brand in the memory of the consumer.

Brand attribute   The tangible and intangible features along with the physical characteristics of the brand.

Brand essence   It is the brand identity that is meant to energize the internal audience of an organization.

Brand gap   The gap caused due to the difference between the brand identity established by the company and the brand image perceived by the customers.

Brand identity   A set of associations that the brand strategist seeks to create or maintain.

Brand image   A set of beliefs held about a particular brand by consumers.

Brand personality   A set of human characteristics associated with the brand.

Brand tagline   It is the brand positioning that is communicated to the external audience.

Concept Review Questions

1. What is a brand? How is it different from a product?
2. Enumerate five benefits of branding for the customers.
3. Enumerate four benefits of branding from the organization's perspective.
4. Discuss the various issues in branding. Which, according to you is the most important and why?
5. Discuss the various levels of brand loyalty. What are the implications (if any) of these levels for the marketers?

Critical Thinking Questions

1. Discuss why an organization needs to build a brand, when it can simply sell its products and reap profits without having to spend on brand building.
2. Critically discuss the statement, 'There is actually a difference between a product and a brand'.

Internet Exercises

1. Visit the website http://www.sugunapoultry.com and check out the various brands of this group. Enumerate the various brands of value-added eggs they are selling. How have they tried to brand these eggs?
2. Visit the website http://www.dhampuresugar.com and see how the organization has branded a commodity item like sugar.

CD Exercise

View the Aditya Birla Group ad and discuss the benefits of building a strong brand in the light of the Aditya Birla Group.

Exercises

Includes a variety of chapter-end exercises that help in applying the concepts studied to real-life situations

Case Studies

Includes cases of various Indian and global brands (with discussion questions), which help in providing an understanding of the concepts studied

About the CD

Each chapter has links with the accompanying CD for better understanding of the concepts and also includes CD exercises, wherein the student can think beyond the concepts discussed in the chapter. The CD includes videos and presentations of the following brands.
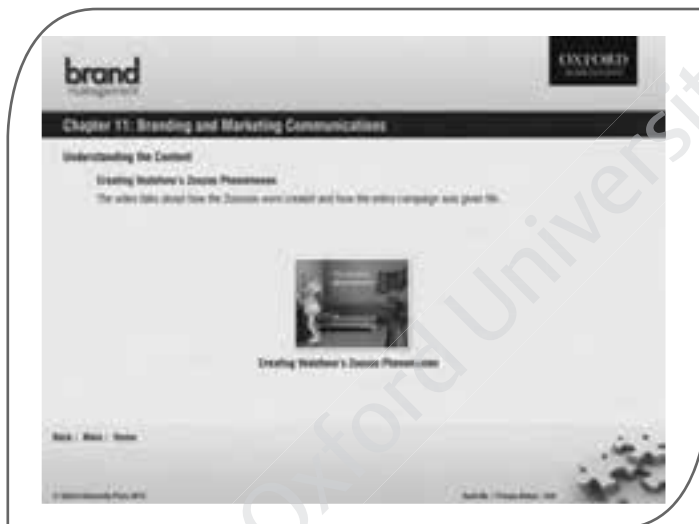
Understanding the Content

Includes videos and PPTs and key learnings that aid in better understanding and application of the concepts discussed in the book

CD Exercises

Includes videos and presentations that help the students think beyond the concepts discussed in the book and enhances their decision-making abilities

Brief Contents

Contents

PART I OVERVIEW OF BRAND MANAGEMENT

PART II UNDERSTANDING AND MEASURING BRAND EQUITY

PART III UNDERSTANDING CONSUMERS AND MARKETS

PART V   BUILDING RESILIENT BRANDS

Introduction to Branding 1

ABOUT THE CHAPTER

In this book, we begin the journey of learning about branding by first exploring the concepts behind brands and branding. This chapter introduces the idea of a brand. It begins by tracing the history of branding, so as to give an idea of how branding has evolved over time and where it stands today. The chapter then builds a case for the need to build strong brands, and discusses the various challenges and opportunities that exist, which can be leveraged by organizations to create perceptual differentiation in the minds of the customers. Organizational success in the twenty-first century is defined by 'what' the organization does (i.e., what products or services it offers) and most importantly 'who' the organization is (i.e., the corporate brand) (Keller and Aaker 1998; Keller and Richey 2006). This highlights the importance of building a successful brand in a highly competitive and maturing market scenario.

SIGNIFICANCE OF BRANDING

Branding is one of the key issues and biggest challenges in corporate and marketing strategies (Opoku, Abratt, and Pitt 2006). A product that is not branded is a commodity, such as sugar, rice, etc., and while purchasing a commodity, one only considers its physical attributes and benefits. A brand, on the other hand, is a 'lens through which the consumers view the product and the firm' (Blythe 2007). It is basically a product with added dimensions that make it different in one way

or another from other products that satisfy similar needs (Keller 2004). For the consumers, a brand is a product, and the brand identifies the maker or the seller and the promise of consistently delivering the features/benefits that the consumers desire from the brand (Kotler and Keller 2005). Exhibit 1.1 shows an instance of a brand delivering on the promise of style.

Brand association represents some product quality in the mind of the customers. (*Superbrands,* 2009) For instance, when a customer purchases Nike footwear, some assurance of quality comes with it and the subsequent confidence that the product is going to be of specific standards (Jauhari and Dutta 2010). This highlights the fact that a brand name, apart from identification, also provides a differential advantage, i.e., how the brand is different from

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Exhibit 1.1   The Status Dilemma

Courtesy: Superbrands.

Image 1.1a   Tupperware's high level of association with style; also see Plate 1

Neha is a working woman, and she needs a lunch box to carry to office. She remembers her father leaving for work every morning clutching his colourless stainless steel lunch box. But Neha shudders at the thought of the look on her colleagues' faces if she walks into office with such a lunch box. Neha has a number of options available in the market to choose from, but what she needs are bright trendy containers that can keep food fresh for longer periods of time.

Neha found exactly what she was looking for when her friend Meena brought her lunch box to office one day. Meena told her about Tupperware—a global brand, recognized the world over. Tupperware products are excellently designed (see Image 1.1a) and have won prestigious awards like the Red Dot Award in 2009 (an award for excellence in product design instituted by Design Zentrum Nordrhein Westfalen in Essen, Germany), and the company has also featured in Forbes.com Platinum 400—America's Best Big Companies List—for the sixth time in a row in 2009. Tupperware has 'a range of high quality, lightweight, rust- and break-proof, colourful, airtight, stylish containers, which keeps food fresh for longer, thus avoiding waste' (*Superbrands,* 2009) (See Image 1.1b). They are leak-proof as well, which means that Neha can carry and store curry and gravy items.

Image 1.1b   Brand to the rescue

other products satisfying the same needs and wants of the consumer. This is why branding is gaining importance, and more and more products are being branded (Datta 2003), from commodity items such as salt (Tata Salt) and sugar (Dhampure Sugar) to technical gadgets such as the iPad and the Kindle. In spite of the cost involved, one hardly finds anything that is unbranded, as branding has a number of advantages and marketers look to tap these via their brands.

HISTORICAL PERSPECTIVE OF BRANDING

How did branding come into being? What functions does it perform? Has there been a change in its functions over time? Has the concept of branding changed at all? These are some of the questions that come to mind when we discuss the concept of branding. Let us now develop an understanding of the same.

Studies show that brands and branding are not a recent phenomena. In fact, branding has existed for ages and can be traced back to the time when human civilizations originated. Early language was developed to convey information about two things—religion and business transactions. Business transactions ('who' is involved, 'what' was transacted, and 'how' much) were recorded using symbols. These symbols were pictorial in nature (also known as brand marks, logotypes, or icons) and were sometimes accompanied by some text and the use of colour. These 'early brands' can be called 'proto-brands' and their elements—i.e., the use of a logo, text, and colour—are important for brands even today (Moore and Reid 2008). Take, for example, the logo of Anchor Electricals. It includes a pictorial symbol, some text, and a red and white colour combination, which denotes stability and dependability (*Superbrands,* 2009) (see Image 1.2 for a black-and-white representation).

Image 1.2   Logo of Anchor Electricals

A look at the history of the Harappan or Indus Valley Civilization, which existed in 2250–2000 BCE, shows the prevalence of branding in the form of seals. Craftsmen in Harrapan cities crafted stone and bronze seals, which were sold to merchants. These seals were attached to goods were used for dispatching information and for trademarking goods. The seals were used to identify the sender of the merchandise and the markings were used for storing information useful for trading—for manufacturers, re-sellers, and the government. According to Moore and Reid (2008), information helped in performing various functions of marketing like 'sorting, storage, and transportation'. The use of Lord Shiva on the seals denotes the secondary use of seals to transfer some imagery to potential buyers or users. These seals are 'the earliest known examples of branding', and were used by merchants to 'brand their wares'. The seals are called 'proto-brands or early type of brands, as they perform the function of modern-day brands by giving information regarding the quality and origin of the brand, and help in logistical functions as well.'

Until the Iron Age (825–336 BCE), temples and palaces controlled the socio-economic activities. The Iron Age saw the rise of the entrepreneurial culture, which was market-oriented. This lead to market competition and gave an impetus to branding, as various entrepreneurs started branding their wares both for labelling and for use of imagery. Potters started branding their works as early as the seventh century BCE and Sophilos was the first Athenian potter to identify his work. This was done primarily to denote pride in the work and to elicit further orders. Mottos and slogans were used on Greek pottery to convey elaborate information or to provide 'an image to the potential buyer'. A motto on a cup imported into Italy from Rhodes may be history's first recorded commercial advertisement: 'Nestor (a hero from Greek mythology) had a most drinkworthy cup, but whoever drinks of mine will straightaway be smitten with desire for the fair-crowned Aphrodite.' This is an early example of using sex to sell wares, as Aphrodite is the goddess of beauty, sex, and love.

The Greek market revolution around the 6th century BCE had lead to an entrepreneurial culture, and a look at the pottery industry of that time reveals the fact that in Greece, potters were making wares targetted at specific markets. Some potters were designing artistic wares and branding them to guarantee the content and also to market an image of value, power, etc. There were also those who produced less artistic wares, which targeted the mass markets. These potters, however, had to create persuasive packaging and attractive images to beat the competition at the retail level. The competition was intense, as the layout of the marketplace was such that the sellers were segregated on the basis of the products category of. Therefore, various brands of pottery were side by side. This shows a gradual transition of a brand from 'transactional to transformational' (Moore and Reid 2008). The transactional function was utilitarian and provided information regarding the quality and the origin of the wares, which helped reduce risks and uncertainty at the time of purchase. The transformational function was fulfilled by building an image for the brand and included 'status/power, inherent value, and finally, the development of a brand personality. These brand characteristics, through substantial efforts by marketers, connect well to the consumer side of the equation, relating to consumers' cognitive representation of a brand or 'brand knowledge' as information (awareness, attributes, benefits) and image (images, thoughts, feelings, attitudes, and experiences)'.

Moore and Reid (2008) state that while evidence from early societies proves that logos have been used 'for as long as the record allows us to identify them the use of the term 'brand' only appears as such much later on in history. The term 'brand' became extended to 'branding' as an act wherein humans were stamped with embers or hot irons (also known as 'pyroglyphics') to identify harlots or wrongdoers, or for the identification of animals.' The various characteristics of a brand from the early Bronze Age to the current times are highlighted in Table 1.1.

The concept of branding evolved further in the twentieth century and the concept of brand personality gradually came into being. Brand personality is 'the set of human characteristics associated with a brand' (Aaker 1997). Brand personality enables consumers to express themselves through a brand. Aaker segregated five different dimensions that people associate with brands—sincerity, excitement, competence, sophistication, and ruggedness. Brand personality is not static, but evolves with the customers over time. We see a gradual transition of a brand from the utilitarian—where it provided information regarding logistics and origins in order to reduce a sense of risk and uncertainty (and thereby enhanced perceived quality) at

Table 1.1 Evolution of brand characteristics

Brand characteristics	Early Bronze IV (2250–2000 BCE) The Indus Valley	Middle Bronze Age (2000–1500 BCE) Shang China	Late Bronze Age (1500–1000 BCE) Cyprus	The Iron Age revolution (1000–500 BCE) Tyre	The Iron Age (825–336 BCE) Greece	Modern times
Information logistics	√					
Information origin	√	√	√	√	√	√
Information quality	√	√	√	√	√	√
Image power	√		√	√	√	√
Image value			√	√	√	√
Image personality						√

Source: Adapted from Moore and Reid 2008.

the time of purchase—to the addition of complex characteristics like image building (including status, power, value), and finally brand personality. Thus, over the years, there was a transition from the transactional (information-related) purpose of the brand to the transformational (image-related) purpose, where the brand personality helped in lending an image to the brand. Since consumption is culture and time-specific, 'the ultimate role of the brand is to carry and communicate cultural meaning that is transactional (information-related) as well as transformational (image-related) in character' (Moore and Reid 2008).

BRAND DEFINED

According to the American Marketing Association, a brand is 'a name, term, sign, symbol, or design, or a combination of these, intended to identify the goods or services of one seller or group of sellers and to differentiate them from competitors'. This definition answers the what, why, and how aspects of a brand. The 'what' aspect of a brand is answered by 'a name, term, sign, symbol, or design, or a combination of them', the 'why' aspect is answered by 'to identify the goods or services or a seller or group of sellers', and the 'how' aspect by 'differentiating them from competitors'. Exhibit 1.2 gives some facts of the Bata Shoe Organization—an iconic brand that has stood the test of time.

Exhibit 1.2   What You Didn't Know about Bata

- The Bata Shoe Organization (BSO) was founded by Tomas Bata on 24 August 1894 in Zlin (a town in former Czechoslovakia and now in the Czech Republic).

- Over the years, Bata has established itself globally and operates more than 4600 retail stores in over 50 countries.

Contd

Exhibit 1.2 *contd*

- Bata is estimated to serve one million customers each day and employs more than 40,000 people.
- It has sold more than 15 billion pairs of shoes—more than the number of people who have walked the earth during this time. If all the shoes sold by Bata are laid end to end, they would extend to 12 million kilometres—more than 30 times the distance between the earth and the moon.

- The Bata pricing is not a sales ploy and has nothing to do with psychological pricing as is widely believed. The numeral 9 is used because the founder, Tomas Bata, was a ninth generation shoemaker.

Source: Superbrands 2009.

A product becomes a brand when some dimensions are added to it to differentiate the product in some way from other similar products. The dimensions can be rational, functional, and/or tangible, or they can be emotional, symbolic, and/or intangible. In the former case, the dimensions can be related to the performance of the brand and in the latter case, 'related to what the brand represents' (Kotler and Keller 2005). Thus, a brand can also be defined as 'a product that provides functional benefits plus added values that some consumers value enough to buy' (Jones 1998). At the operational level, the function of the brand is to convey the identity of the brand, that it 'embodies a specific set of unique features, benefits, and services' to the consumers (Mascarenhas, Kesavan, and Bernacchi 2006). The top twenty brands of the year 2010 are given in Tables 1.2 (most-trusted brands) and 1.3 (most-trusted service brands).

Table 1.2 The top twenty most-trusted brands

Brand	Rank (2010)	Rank (2009)	Brand	Rank (2010)	Rank (2009)
Nokia Mobile Phones	1	1	Close Up	11	11
Colgate	2	2	Good Knight	12	21
Lux	3	3	Rin	13	43
Dettol	4	5	Tata Salt	14	7
Britannia	5	9	Pepsi	15	26
Lifebuoy	6	4	Maaza	16	46
Clinic Plus	7	15	Vodafone	17	30
Pond's	8	16	Maggi	18	35
Fair & Lovely	9	18	Glucon-D	19	14
Pepsodent	10	8	Thums Up	20	39

Source: Brand Equity, 2010.

Table 1.3 The top twenty most-trusted service brands, 2010

Brand	Rank	Brand	Rank
Vodafone	1	Canara Bank	11
BSNL	2	Tata Docomo	12
State Bank of India	3	Punjab National Bank	13
LIC	4	Central Bank of India	14
Tata Indicom	5	Idea Cellular	15
Big Bazaar	6	HDFC Bank	16
ICICI Bank	7	Indian Bank	17
Bank of India	8	Reliance Fresh	18
Hindustan Petroleum	9	Aircel	19
Bharti Airtel	10	Pizza Hut	20

Source: Brand Equity, 2010.

These brand rankings are the result of a survey conducted by *Brand Equity* and The Nielsen Company, and represent the brands that consumers are most familiar with and which provide 'quality and reassurance' to the consumers. The brand attributes considered for this measurement are given in Exhibit 1.3 (for a detail of the methodology, please refer to the chapter on measuring brand equity).

Table 1.4 shows that we can brand both a product and a service. But is that all we can brand? Branding can be applied virtually to anything or anywhere. For example, in India, branding has also been applied to commodities such as salt (Tata Salt, Captain Cook Salt, etc.), sugar (Dhampure Sugar), eggs (see Exhibit 1.4: Branding Eggs), etc. It is possible to brand the following (Kotler and Keller 2005):

- A service—for example, Life Insurance Corporation, State Bank of India
- A product—for example, Nokia mobiles, Lux soaps, Knorr soups
- A store—for example, Big Bazaar, Shoppers Stop

Exhibit 1.3   Brand attributes for measuring the most-trusted brands

1. Always maintains a high level of quality
2. Is worth the price it commands
3. Is a brand I would surely consider if I have to buy the product
4. Has been a popular brand for many years
5. Has something that no other brand has
6. Evokes a feeling of confidence and pride among its users
7. Is a very special brand with unique feelings associated with it

Source: Brand Equity, 2010.

Table 1.4   Top ten most-trusted brands over the years

Rank	2001	2002	2003	2004	2005–06	2007	2008	2009	2010
1	Lux	Dettol	Colgate	Colgate	Colgate	Colgate	Nokia	Nokia	Nokia
2	Colgate	Britannia	Dettol	Lux	Lux	Vicks	Colgate	Colgate	Colgate
3	Rin	Colgate	Pond's	Rin	Dettol	Lux	Tata Salt	Lux	Lux
4	Thums Up	Tata Salt	Lux	Dettol	Pond's	Nokia	Pepsodent	Lifebuoy	Dettol
5	Dettol	Lux	Pepsodent	Tata Salt	Tata Salt	Britannia	Pond's	Dettol	Britannia
6	Fair & Lovely	Coca-Cola	Tata Salt	Pond's	LIC	Dettol	Lux	Horlicks	Lifebuoy
7	Surf	Pepsodent	Britannia	Fair & Lovely	Vicks	Lifebuoy	Britannia	Tata Salt	Clinic Plus
8	Coca-Cola	Pond's	Rin	Britannia	Britannia	Pepsodent	Dettol	Pepsodent	Pond's
9	Pepsi	Pepsi	Surf	Vicks	Rin	Pond's	Lifebuoy	Britannia	Fair & Lovely
10	Horlicks	Thums Up	Close Up	Bata	Bata	Tata Tea	Vicks	Reliance Mobile	Pepsodent

Source: Brand Equity, 2010.

- A place/geographic location—for example, Taj Mahal, India (the Incredible India! campaign)
- A person—for example, Aamir Khan, Amitabh Bachchan
- An idea—for example, Worldwide Fund for Nature
- An online organization—for example, Amazon, MakeMyTrip
- An organization—for example, UNICEF

Branding in itself does not denote success. Brands need to be managed over time, and brand managers need to constantly ensure the success of their brands, otherwise once successful brands can ride into oblivion (see Exhibit 1.5: 'Hamara Bajaj').

Exhibit 1.4   Branding Eggs

The approximate consumption of eggs in India stands at 360 crore per month, and out of this around 60 lakh eggs are from the branded category. This segment is catching up in the metros with a growth rate of 20 per cent. Suguna group, Vangili Feeds, Keggs, and SKM are some of the key players in this segment that have differentiated their eggs on the basis of protein, less fat content, herbal features, odourless eggs, etc.

These eggs ensure quality and convenience to the customers, are hygienic, and have a premium look. Modern retail has given a fillip to retailing of branded eggs with stores such as Nilgiris, Easy Day stores, Spencers, More, etc. storing these branded eggs. The eggs are priced higher than the normal eggs, and if a pack of six normal eggs cost ₹18, the same number of branded eggs may cost up to ₹45 (Sujatha 2010).

Exhibit 1.5 'Hamara Bajaj'—Fall of the Icon

The year 2009 was a watershed moment in the history of the scooter market in India. An iconic scooter brand that once symbolized an 'Indian trying to survive, to maximize his resources, and who wanted to be mobile' (Bhagat 2010), the Hamara Bajaj scooter was on its way out. Once the 'strong symbol' of 'strong India', the Bajaj scooter was to shut shop. Chetak, once the world's largest selling scooter, had stopped production in 2006–07. Its Kristal brand was losing market share and the sales were dropping in spite of the 15 per cent growth in the domestic scooter market (Chauhan 2009).

Compare this to the 1980s, when consumers had to wait for their deliveries (with the waiting period extending to years), when it was a sought after wedding gift and strings were pulled for speedy allotments. A parallel lucrative industry grew around the waiting period and those who took a delivery, resold the scooters at a premium equal to the original cost of the scooter. Rivals LML scooters collected more than ₹120 crore just by booking scooters at ₹500 per scooter—though half of them were never delivered and the company went out of business after the motorcycle surge (Doval 2009).

Post liberalization, the entry of Hero Honda into the market was the game-changer. The 'Fill it, forget it' positioning of Hero Honda immediately tilted the market in favour of the motorcycle. The sleek designs, fuel efficiency, and hi-tech features drove the final nails into the coffin. Bajaj felt the need to innovate and reinvent—scooters were on their way out and motorcycles were in.

Bajaj tied up with Kawasaki to regain market confidence by selling over half a million motorcycles in a single year. The Caliber and Pulsar models followed and were an instant hit with the customers (Money Control 2006). Bajaj Auto wants to focus on the road ahead and become the motorcycle specialist by stepping on its iconic scooter brand.

DIFFERENCE BETWEEN A PRODUCT AND A BRAND

A product is the core focus of a firm, around which the activities of the firm revolve. It is what the organization produces or offers to the market for consumption, and what consumers purchase to satisfy their needs and wants. All the marketing activities revolve around the product and the product forms the thread that links all the activities and functions of the organization that revolve around the 'offering' to the market. If this 'offering' does not satisfy the customers' needs and wants in any way, all the activities of the organization would have been in vain.

'A product can be a tangible object, an intangible service, or an idea, which a marketer has to offer to satisfy the needs and wants of the consumers' (Jauhari and Dutta 2010). According to Kotler, Armstrong, Agnihotri, and Haque (2010), a product can be thought of at different levels, as discussed below. (Also see Exhibit 1.6.)

Core product The core product is the most fundamental product sought by customers to satisfy their needs and wants. For instance, when customers want to print something they can purchase a printer, in order to reproduce a document they can buy a scanner or a photocopier, to listen to music they can purchase an MP3 player, when they want to move from one city to another they can purchase an airline ticket, when they want to communicate they can purchase a mobile phone or a landline phone, and when they are hungry they can order a pizza, etc.

Actual product This second stage occurs when the core benefit that the manufacturer or service provider wants to supply in the market is transformed into an actual product with various attributes. These attributes are the features, design, brand name, packaging, and the

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Exhibit 1.6   Tupperware—The Different Levels of the Product

The core product that Neha was looking for was a product that could store food. The actual product (Tupperware products) was developed by Earl Tupper in 1946 and continues to be made from 100 per cent food-grade, virgin plastic, which is free of the plastic odour otherwise common in such type of containers. The Tupperware products are stylish, lightweight, and at the same time airtight and leak-proof. Tupperware is an augmented product because it also comes with a lifetime guarantee. If the product is returned it is 'recycled and reused to make non-food items like plant pots, pipes, etc. Thus, no plastic is dumped and the company contributes to a greener and cleaner environment' (*Superbrands* 2009).

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quality level offered by the manufacturer or the service provider. Thus, an HP deskjet printer with a scanner and a photocopier attached provides consumers with a complete solution for copying and printing.

Augmented product   When a product is accompanied by additional benefits and services, it leads to the third stage of the augmented product. These can be the delivery and credit facilities, warranty, after-sales service, and product support services. Thus, when customers purchase an HP deskjet printer, they will get a manual with the complete information, warranty on the parts, a toll-free number and website details to have queries answered or any problems resolved.

A product should be designed carefully and its features should be considered in detail, as it is these features that provide the ultimate consumer experience that brings consumers back to purchase the product again and again. The product should be reviewed from time to time as the environment is dynamic and technology is continuously opening up new avenues that provide immense opportunities to organizations for innovation. All products include the following (Aaker and Joachimsthaler 2000).

Scope   This includes the extent of the product a company plans to cover. For example, MDH makes spices, Atlas manufactures cycles, etc.

Attributes   The features and qualities of the product. Colgate toothpaste, for instance, contains clove oil, Dove contains moisturizer that keeps the skin soft and nourished, etc.

Uses   The various ways in which the product can be used. For example, mobile phones can be used for communication, Internet applications, as a camera, etc.

Quality/value   For example, there are many quality products from the house of Tatas, such as Tata Salt, Tata Indica (car), Tata Consultancy Services (IT services, business solutions), etc.

Functional benefits   The function that is performed by the product is important. For example, Big Bazaar performs the function of offering extra value.

An organization that invests time and money in developing a product and making it unique in the market needs to reap the benefits as well (see Exhibit 1.7). All the benefits of the product can be milked for a longer period of time, if the product is uniquely identified in the minds of the customers. This can be done with the help of a brand name. This name helps in uniquely identifying the product and along with it the following (also see Figure 1.1).

Exhibit 1.7　Tupperware—The Brand

Brand Tupperware is not just about selling products, but about providing solutions that benefit customers. Health being the biggest concern for Indians, Tupperware has positioned itself on the health and wellness platform. It holds the 'wealth of wellness' programmes in schools to educate children about the health benefits of using Tupperware (Image 1.3). That it cares for the Indian consumers is reflected in the range of products it has designed especially for the needs of the 'Indian housewife, her Indian kitchen, and Indian food'. Thus, it has products like the spice box, idli maker, heat-resistant serving spoons, refrigerator bottles, lunch boxes to ensure that dry and wet foods stay segregated, etc.

These specially designed products that offer solutions have instilled confidence in the Indian housewife, and changed her kitchen from the 'traditional rasoi' to the 'modern kitchen' (*Superbrands* 2009), while providing self-expressive and emotional benefits.

Courtesy: Superbrands.

Image 1.3　Brand positioning of Tupperware
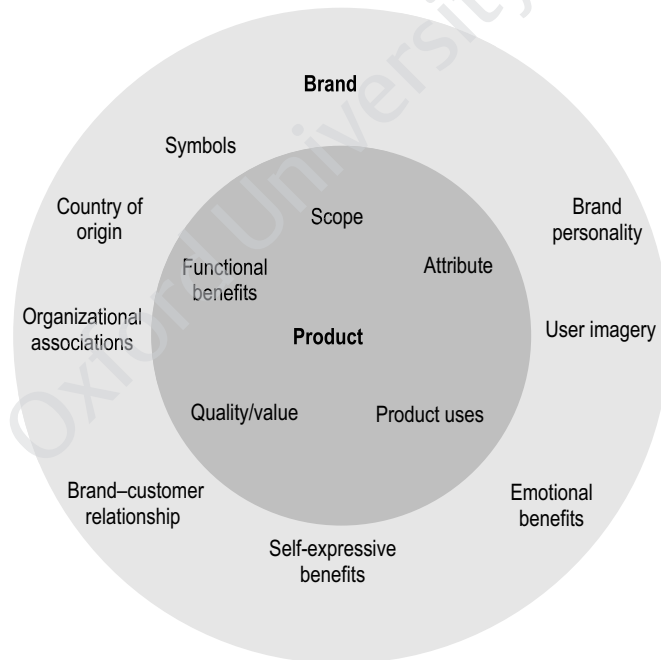
Source: Adapted from Aaker and Joachimsthaler 2000.

Figure 1.1　A brand is a product and much more

Functional benefits　This includes the various functional aspects of the brand, which can be aided by user imagery, organizational associations, brand personality, symbols, brand-customer relationships, and country of origin.

User imagery   User imagery aims at creating a certain image of the person using a particular brand. Lifestyle brands use this to create an exclusive image for the customers purchasing their brands. For example, people who wear Armani clothes, Bvlgari watches, etc. are perceived as belonging to an elite section of society.

Organizational associations   This links the characteristics of the company to the brand, which creates an aura around it. For example, Tata products are associated with innovation and quality ('from the house of Tata'). This is especially relevant for services, durable goods, and high-tech brands.

See how Amul in providing functional benefits to its consumers by providing organizational association.

Brand personality   The personality of a brand makes it memorable and interesting for customers. Brand personality helps in increasing brand awareness and 'developing a relationship with the customers'. It adds the dimension of youthfulness and energy to the brand. For example, Thums Up projects an outgoing and adventurous brand personality and is further reinforced by the use of Akshay Kumar as their brand ambassador.

Symbols   A symbol can be used to communicate the identity of the brand with a quicker recognition and recall. A symbol is a part of the identity of the brand and plays a strategic role in creating the image of the brand. A symbol that supports the functional benefits of the product helps drive across the message to the customers. For example, the Pillsbury doughboy who relates to fresh and light food, the Amul girl who is healthy and strong, etc.

See how Amul is providing functional benefits to its consumers through the use of its moppet as a symbol.

Brand–customer relationships   This includes the relationship the brand develops with its customers, and consumers can associate the brand as their party companion, friend, adviser, etc. For example, Titan launched its Raga series targeted at women with the 'ek khoobsorat rishta' (a beautiful relationship) ad featuring Rani Mukherjee. The ad showed Rani waiting for her man with the watch as her companion.

See how Amul is providing functional benefits to its consumers by providing brand/customer relationship.

Country of origin   The country of origin of the brand can be associated with the brand to add value to the product attributes. For example, watches from Switzerland, electronic products from Japan, etc.

Self-expressive benefits   Brands allow people to express themselves to others.

Emotional benefits   A consumer can derive emotional pleasure, such as pride, joy, thrill, etc. while consuming a brand. Emotional benefits such as entertainment, belongingness, and brand community can be created and it is these emotional benefits that are difficult to duplicate (Mascarenhas, Kesavan, and Bernacchi 2006).

See how Amul is providing emotional benefits to its consumers.

The brand name benefits as perceived by customers depend, to a large extent, on the benefits of the product (Rio, Vazquez, and Iglesias 2001). A product serves to fulfil a functional need of the customer. A brand, on the other hand, includes both functional benefits and something extra in the form of added values and emotional experiences. The functional experiences can be duplicated, but it is the emotional bonds that are difficult for competitors to duplicate or break (Mascarenhas, Kesavan, and Bernacchi 2006). It can thus be said that all brands are products as they provide a functional benefit, but not all products are brands (Jones 1998). This is also true because it is extremely difficult to differentiate the many products and provide value at the same time.

See how generic products like milk and butter were transformed into brand Amul.

RATIONALE FOR BUILDING A BRAND

We have studied what a brand is and the difference between a product and a brand. But, why do organizations need to invest time and money in building brands when they already have a product that can be offered to the market? Also, given that the transaction of a brand is between an organization and the consumers, the second question that comes to mind is, are the benefits of building strong brands restricted to organizations alone, or do the consumers benefit too? Let us see the various reasons and benefits of building a strong brand.

Benefits of Building Strong Brands—Organizational Perspective

A strong brand is an asset for any organization. It can help the firm by acting as:

An identifier   A brand name identifies the maker of the brand and helps in assigning responsibility during the distribution stage whether it be for storing, sorting, selling, or after-sales service (Kotler and Keller 2005; Moore and Reid 2008).

A shorthand for information   A brand name helps consumers store information related to the brand and thus helps them cope with the 'deluge of marketing information' provided to them (de Chernatony 2008). The quality of information stored for a brand is therefore important and guides the behaviour of consumers towards a brand. Brand extensions try to build on the brands in the hope that association with an existing brand will make it easier for consumers to accept the new extension. This is known as the 'shorthand' concept.

Legal protection   A brand name uniquely identifies the brand and its unique features and aspects, thereby providing legal protection for the branded product through trademarks, patents, and copyrights (Jones 1998; Kotler and Keller 2005). Organizations invest a lot of time and money in building a brand, therefore legal ownership and protection helps a company protect and enforce its ownership. For example, as a brand strategy, Absolut Vodka continually monitors competitors' activities to stop any organization from 'adopting the name or bottle design' (de Chernatony 2008).

Differential advantage   Branding also helps in differentiating a product from other products in the product category (Jones 1998; Rio, Vazquez, and Iglesias 2001).

Unique associations   The mention of a brand name evolves a number of different thoughts and feelings in the minds of consumers. These associations are a result of the different feelings and images a brand creates in the minds of the consumers (Kotler, Armstrong, Agnihotri, and Haque 2010).

Price premiums   By building a strong brand and loyal customers, an organization can demand a higher price for its product (Kotler and Keller 2005).

Enhancing customer loyalty   Brand equity and trust are the most influential factors that lead to brand loyalty among the consumers (Taylor, Celuch, and Goodwin 2004).

Higher market share   A high positive customer perception about the brand leads to increased earnings and translates into a higher market share for the organization (Rio, Vazquez, and Iglesias 2001).

Inelastic response to price increase   A strong brand inculcates brand loyalty, and brand loyal customers are not easily swayed by price increases (Rio, Vazquez, and Iglesias 2001).

As a barrier to the entry of other brands   A strong brand can act as a barrier to the entry of other brands into the market, as brand loyal customers will take a longer time to switch to another brand (Kotler and Keller 2005).

Can be bought and sold as an asset   Brands can be measured in financial terms and can be found on the asset side in a balance sheet. Strong and successful brands can be bought and sold by organizations, and can also be at the centre of hostile takeover bids. For example, the Cadbury brand was bought over by Kraft Foods Inc.

See the Amul video to understand the organizational perspective of building a brand.

Benefits of Building Strong Brands—Customer Perspective

For the consumers, branding is all of the following.

Source of identification   Brand name identifies the source or the manufacturer of the product or service, thus helping consumers in the allocation of responsibility.

Heuristic or proxy for quality   The brand name acts as a symbol of quality for consumers. The brand name is also found to impact purchase decisions, when information about the quality of the product is not available to facilitate a customer's decision-making (Jiang 2004). A brand name guarantees homogeneity of the products and instils confidence in consumers by denoting quality products (Jones 1998).

Source of evaluation   Consumers can evaluate different products on the basis of their brand attributes (Kotler and Keller 2005). It is easier to collect information about known brands, and therefore strong brands reduce the search cost for consumers.

A tool to simplify decision-making   On the basis of their experience with a brand (either through a search for information or through the use of the brand), consumers can easily decide which brand to purchase (Kotler and Keller 2005).

Risk reducer   The brand, through its brand image builds confidence and trust in consumers and reduces the risk involved in making a purchase (Kotler and Keller 2005). The various risks that a consumer can perceive at the time of purchase are as follows.

Financial risk   Customers are concerned about value for money and feel that a brand may/may not deliver good value for money.

Performance risk   Customers are concerned about the performance of the brand and whether it will deliver according to the functional specifications.

Time risk   Consumers are concerned about the amount of time they will spend on the collection of and information the pre-purchase stage. Also post-purchase, if the brand does not fulfil its promise, then how much time would they have wasted.

Social risk   Consumers are concerned about how their peers will perceive them if they use a particular brand. Will the use of the brand add to their self-image?

Psychological risk   Consumers should be satisfied with the brand, and it should match their self-image.

The brand, by constantly delivering quality over a period of time and through its reputation and image, can act as a cue for the customers. It can remove or reduce the various risks involved and promote brand consumption.

Tool to express self-image   Customers consume brands to express their self-image, either an actual image or an ideal one, or both through the brand image (Ataman and Ulengin 2003). Thus, consumers purchase brands that they feel best express their actual self or ideal self, or both and make a statement about themselves in society.

TYPES OF BRANDS

Brands can represent different value propositions, and thus the type of value provided can be categorized into (Tybout and Carpenter 2006; Ramaswamy and Namakumari 2009) the following.

Functional brands   When the functional value of a brand is highlighted along with the product features and efficient performance, the brand can be categorized as a functional brand. For example, the Nano car provides the functional benefit of transportation for the entire family at an affordable price, and Nirma offers a clean wash also at an affordable price.

Image brands   To differentiate itself from other brands and add value for customers, a brand can also build on its brand image and emphasize the image value. This image can be built by using celebrities like film actors, sports personalities, etc. The idea is that by using a particular brand, customers will feel as if they also belong to the same class or league. For example, the Scooty ads show Priyanka Chopra using the two-wheeler; Parker Pens show Amitabh Bachchan using the pen. Customers will want to purchase these brands to be in the same league as their favourite celebrities.

Experience brands   A brand can project the unique experience customers will have on using it in order to create value. Service brands particularly use this to highlight the experience that the customers would get. For example, Kingfisher Airlines states 'Fly the good times',

which customers perceive and interpret as 'Fly five star' (see Image 1.4). The ad highlights the experience of an 'exclusive lounge and bar on board' (*Superbrands,* 2009).

BRANDING CHALLENGES

The Indian market saw a deluge of new brands between February 2009 and July 2010; the period witnessed 1500 brand launches. New brands were launched in sectors like telecom, retail, automotive, FMCG (fast moving consumer goods), apparels, etc. There were approximately three brands being launched in a day, but only 5 per cent of these survived. Some brands like Marico suspended the test run of its brand Saffola Zest (in the healthy snack category) due to poor market response (Pinto 2010) (see Exhibit 1.8: Brand Survival).

Courtesy: Superbrands.

Image 1.4 Kingfisher ad; also see Plate 1

There are a number of challenges that brand managers have to overcome to see their product succeed. Brand managers have to understand these challenges well if they are to make effective branding decisions. Some of the key challenges are as follows.

Exhibit 1.8   Brand Survival

The market for organized products is growing, and brands have not yet penetrated the entire Indian market. New brands are being launched but the success ratio is only 5 per cent. All the same, this is better than the markets in the West according to Santosh Desai, CEO, Future Brands (cited in Pinto 2010) where the black-eye ratio is applicable. According to this, if 10 brands are launched in a year, only two survive and do well in twenty-four months and this comes down to one brand in seventy months. India still displays a huge gap between organized and unorganized trade in many categories. Modern trade, still in its infancy in the country, holds a lot of promise for organized products. According to Technopak, organized retail, which currently is at 5 per cent, will reach 25 per cent in the next ten years and will make launching brands easier (Pinto 2010).

A lot of companies have launched new brands, but have had to pull them out because the desired results were not there. For example, since its entry into India in 1998, Hyundai has withdrawn the Elantra Sedan and Terracan SUV from the market and is now ready to phase out its Getz model, which was introduced in the year 2004 at a price of ₹4.5 lakh. The car was meant for people who wished to upgrade from entry-level hatchbacks like Alto, Maruti 800, and its own Santro. Maruti Swift in the same segment (at a price tag of ₹4 lakh) launched in the year 2005 is still going strong and is the fourth largest selling car currently (Chauhan 2010).

Exhibit 1.9 Future Group Is Kellogg's 'Cereal Killer'

Future Group is a prominent player in the organized retail sector, and Kellogg's is a global player that commands a whopping share of more than 70 per cent of the Rs 400 crore breakfast cereal market in India. When Future Group demanded a 15–16 per cent margin as against the existing 12 per cent on the sales of Kellogg's products at its outlets, the cereal maker refused to budge. An angry Future Group decided to ban the sale of Kellogg's products at its retail outlets.

A year prior to boycotting Kellogg's, Future Group had boycotted Cadbury also on the issue of margins. A series of conflicts have been brewing between modern retailers and FMCG companies with retailers demanding higher margins on the sales of products and manufacturers accusing retailers of pushing their own brands. In fact, Future Group replaced Kellogg's with their own brand of 'Tasty Treat' cereals (Vijayraghavan and Bhushan 2009).

Intelligent and educated customers These days consumers are well-educated about the brands available in the market and also about what to do and whom to complain to if the brand promise is not met. Internet has brought a wealth of information at the click of a mouse, and these well-informed customers choose intelligently.

Growth of private labels With organized retail catching up in India, we now find a number of private labels being sold at Big Bazaar, 98.4 Pharmacy, etc., which are giving the manufacturer brands a run for their money (see Exhibit 1.9: Future Group Is Kellogg's 'Cereal Killer').

Brand proliferation There are a number of brands vying for consumers' attention, leading to increased competition and difficulty in differentiation of brands from competitor's brands. Globalization has lead to brands being sold across geographical boundaries and this has further lead to brand proliferation (see Exhibit 1.10: Superbikes in India).

Increasing trade power The power of retailers and wholesalers is increasing and organizations have to engage in a number of below-the-line activities to motivate retailers and wholesalers to sell their brands.

Media fragmentation and the rise of the new media The growth in the number of television channels, radio channels, and magazines has resulted in the target audience

Exhibit 1.10 Superbikes in India

Rising income, increasing aspiration, and declining average age of bike owners from 39 to 32 has led to a demand for superbikes in India. India has the world's second largest two-wheeler market. There is an upswing in the demand for superbikes since 2007 when Yamaha launched its twin superbikes YZR R1 and

MT-01. The other players in this segment in India are Honda's 1000 RR Fireblade and CBR 1000 R, Suzuki's 1348 cc Hayabusa, Ducati, and Harley Davidson. BMW is also retailing its S 1000 RR and the R and K series models in India (*The Economic Times*, 2010) which has further heated up the competition in this segment.

being distributed across these channels. This has added to the woes of the marketers, as the advertising budget has to be spread over a number of media, leading to increased costs and uncertainty regarding the attention of the audiences.

Increasing cost of product introduction and support To cut above the clutter and establish themselves, products need a lot of marketing support initially. Customers have a number of brands to choose from, and to catch their eye is a huge task for marketers. For example, Raymond Limited is scrapping its non-performing brands. It shut its home accessories brand 'Be: Home' two years after it was launched, and the kids wear brand Zapp! was closed four years after its launch.

Increasing job turnover A brand is built over time and it requires consistent delivery of the brand promise by a team of dedicated employees. Money has to be spent on training and educating there employees about the brand and motivating them to deliver the brand promise. In such a scenario, job turnover is an issue that needs to be dealt with strategically.

OVERCOMING THE CHALLENGES

With markets maturing, brands can overcome the challenges in the market by creating a strong brand equity and building customer loyalty. It needs to be clarified that brand equity is different from brand loyalty. Brand equity is the favourable response (in case of positive brand equity) or the less favourable response (in case of negative brand equity) of customers towards a brand and the way it is marketed. One of the characteristics of firms that possess strong brand equity is 'stronger brand loyalty' (Keller 2004). It is said that 'brand loyalty is both a dimension and an outcome of brand equity' (Taylor, Celuch, and Goodwin 2004). Here we discuss these two constructs in detail.

Brand equity A brand name has a differential effect on customers, and this influences the customer's response towards a brand. This response of the customer is termed as brand equity (Keller 2004). Brand equity is defined as 'a set of brand assets and liabilities linked to a brand, its name, and symbol that adds value to or subtracts from the value provided by a product or service to a firm and/or to that firm's customers.' (Aaker 1991). It is this biased behaviour towards the brand that motivates organizations to spend time and money in building a brand. This is further discussed in detail in the chapters on brand equity and measuring brand equity.

See the Amul video to understand how through the years, Amul has built a strong brand with high brand equity.

Brand loyalty Customer loyalty is often associated with a brand (Mascarenhas, Kesavan, and Bernacchi 2006). The market is cluttered with a number of brands, be it a manufacturer's brand or the retailer's own labels. A slight change in the market share has a significant financial implication, and it is the brand loyal customers that ensure sales in such a competitive scenario (Datta 2003). A 5 per cent increase in customer loyalty can enhance the profitability of a company by 40–95 per cent (Kim, Morris, and Swait 2008) depending on the type of industry.

Brand loyalty is a measure of how attached the consumer is to a brand. Brand loyalty tells one how likely a consumer is to shift to a newly launched brand or to an existing brand that is in some way upgraded (Aaker 1991). Loyalty is defined as 'the biased (i.e., non-random) behavioural response (i.e., purchase), 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, evaluative) processes' (Sheth, Mittal, and Newman 1999). Loyalty is both behavioural and attitudinal and can be expressed at the following five levels (Aaker 1991) (see Figure 1.2).

Brand switchers   These consumers form the lowest level of the brand loyalty ladder and are indifferent to the brand name. Their buying decisions are based on price, availability, etc., and they do not attach any importance to the brand.

Habitual buyers   Such types of customers are satisfied with a brand and are characterized by the absence of any kind of dissatisfaction with the brand. They are habitual buyers, but can also switch over to another brand when provided with proper stimuli by competitors. All the same, it is quite a task to reach out to such customers as they have no reason to be on the lookout for alternatives.
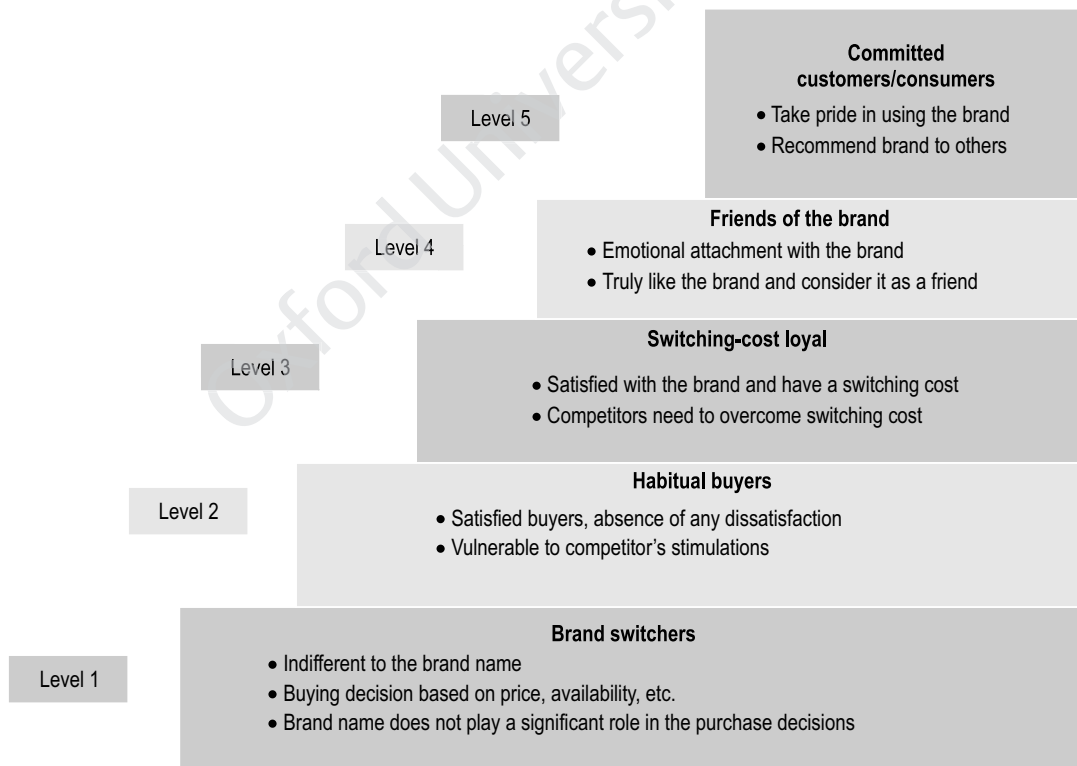
Source: Adapted from Aaker 1991.

Figure 1.2   Customer brand loyalty levels

Switching-cost loyals   These customers are similar to habitual buyers, as they are also satisfied with a particular brand. They are different from habitual buyers in that they have a switching cost as well, which can be in the form of 'time, money, or performance risk associated with the switching.' These customers can be induced to switch over to a new brand by offering them a benefit that is large enough to compensate the risks involved.

Friends of the brand   These consumers really like a brand and consider it a friend. They prefer the brand, have a liking for the brand, and are emotionally attached to the brand.

Committed customers   These customers form the top rung of the brand loyalty ladder. They are committed towards the brand and feel that the brand helps them in expressing themselves, or that the functional use of the brand is extremely important to them. They take pride in the brand and even recommend it to others.

These five levels are indicative and there can be overlaps and combinations of levels. For example, there can be customers who like the brand and have a switching cost as well. There can also be other exceptions, for example, there may be customers who are dissatisfied with a brand, but continue to use it because of the non-availability of alternatives (for instance, earlier in the Indian aviation sector, even dissatisfied fliers had to fly Indian Airlines or Air India in the absence of any competing airlines), or because the switching cost is high, etc. The various benefits of brand loyalty and the factors affecting the same are discussed in detail in the chapter on consumer behaviour and brand-buying decisions.

KEY ISSUES IN BRANDING

Branding is an important aspect of marketing that creates an identity for the product and the organization. The challenges that can be faced by marketers in branding are as follows.

Whether to brand or not   The question is whether to sell a product as a commodity or to brand it? A brand once created has to be very cautious about its quality and the customer's experiences with it, as any negative issue can be detrimental for the brand. A commodity, on the other hand, will not die quickly even if there is an incident or crisis. If the situation demands it, an organization can even change the name of the commodity and sustain it in the market. Although the initial stages of branding may be difficult, an established brand creates a lot of opportunities for organizational success and results in increased earnings for the company.

How to build brand equity   Just building a brand is not sufficient. The idea is to build a brand equity that translates into profits and earnings for the organization. Building a brand that resonates with the customers' expectations and self-belief is important. The chapter on building brand equity—the customer's perspective highlights how a brand can build positive equity that results in brand loyal customers.

How to measure brand equity   Brand equity needs to be measured from time to time, so that strategies can be guided by the feedback from the market and the customers. There

are various ways by which brand equity can be measured. These are broadly divided into brand value, which consists of the financial parameters, and brand strength, which consists of customer-based measures. As an organization, it is important to decide how the company intends to measure its brand equity—either through the financial parameters or customer-based measures, or a mix of both. The chapter on measuring brand equity looks at this issue in detail.

Understanding customers and how they purchase a brand   An understanding of the customers' perceptions and attitudes towards a brand is important. It helps marketers decide on their branding and product mix strategies. An understanding of the customers is also imperative, as the marketers have to try and influence this behaviour in such a way that it is favourable to their brand.

How to position the brand   Once an organization understands the consumers' attitudes and the way how to influence them, it can position the brands in such a manner so that this perception fits in well with what is important to the consumers at the time of purchase. Organizations need to inculcate the brand values that the customers are looking for and clearly communicate the same to them so that their brand achieves a top of the mind recall among the customers. The various ways by which a brand can be positioned are discussed in the chapter on brand positioning.

Which marketing mix strategies to choose   Once the brand characteristics and attributes have been decided, the next steps for the organization are to design the product, price it, package it, and deliver it to the customers. It then has to communicate this to the customers to build awareness, recognition, and recall for the brand. Previous studies on marketing show that for each mix, there are a number of strategies and that an organization must choose from them to build a brand. The idea is to build an integrated brand image and since all the elements of the marketing mix communicate, they should be chosen with great care, so that they all add to the brand equity. Online marketing is also on the rise, and with more and more customers going online, organizations could ignore this tool only at their own peril. Since online marketing is relatively inexpensive and has a wide reach, it is an attractive strategy in branding. However, marketers should take care while building their brands through this media because any miscommunication could cost the brand dearly. The chapters on branding and marketing programmes and branding and marketing communications deal with the same.

How to design branding strategies   The task of a brand manager is not over even after a brand has been established. Managers have to design their brand architecture and the number of brands they need to keep in their portfolio in the different product categories that they intend to cater to. A major task is to choose whether to opt for brand extensions or to own different brands. If brand managers opt for brand extensions, they can leverage their brand using the existing brand equity of the established brand. On the other hand, establishing different brands gives the opportunity to own well-recognized brands in different product categories, which can then be extended further. This is discussed in detail in the chapter on brand strategies.

How to manage brands over time The world is getting hypercompetitive and consumer trends are evolving. A brand that is stagnant and does not adapt to the changing times is bound to die a natural death. Brand managers, therefore, need to track the changes in the external environment and help grow and sustain their brand over a long period of time, so that the coming generation adopts the brand with the same alacrity as the generation before them. This is a challenge for marketers; all great brands have stood the test of time and have reinvented themselves in order to continue to be relevant to customers even today. This is discussed in further detail in the chapter on managing brands over time.

How to manage brands across geographical boundaries The world is a global village, and brand managers need to market their brands across geographical boundaries to remain competitive and enhance profitability. While marketing a brand beyond existing borders, an organization has to consider a number of issues before adopting a branding strategy. The chapter on brands in a borderless world takes a detailed look at these issues.

SUMMARY

Branding is a key issue and a challenge that can define the life of a product and hence of the organization in the marketplace. For the consumers, a brand is a product but for the organization, it is a mammoth task to convert a product into a brand.

A brand is different from a product. To be successful in a highly competitive market, a brand must provide some differential advantage. The benefits are successful legal protection, price premiums, and customer loyalty. Benefits to the customer are a proxy for quality, help in decision-making, and reduction in purchase risk.

There are three types of brands: functional brands, image brands, and experience brands. Challenges to creating a successful brand are better-informed consumers; the growing number of private labels; competition from local, national, and global brands; fragmented media; and large employee turnover. Brand equity and brand loyalty can help marketers, the key issue then is how to build and measure brand equity. An in-depth understanding of the consumers' purchase decision-making process and subsequent appropriate positioning and developing of the marketing mix, the branding strategies, and the management of brands over time is becomes important.

KEY TERMS

Brand 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 competitors.

Brand equity Brand equity is the added value (positive or negative) that a product or a service is endowed with due to a perception of the customers towards the brand.

Brand loyalty Brand loyalty is having a particular brand as the primary choice while making a purchase.

Proto-brands Early brands that existed since the origin of civilizations. Their brand elements were logo, text, and colour.

EXERCISES

Concept Review Questions

1. What is a brand? How is it different from a product?
2. Enumerate five benefits of branding for the customers.
3. Enumerate four benefits of branding from the organization's perspective.
4. Discuss the various issues in branding. Which, according to you is the most important and why?
5. Discuss the various levels of brand loyalty. What are the implications (if any) of these levels for the marketers?

Critical Thinking Questions

1. Discuss why an organization needs to build a brand, when it can simply sell its products and reap profits without having to spend on brand building.
2. Critically discuss the statement, 'There is actually a difference between a product and a brand'.

3. How are brand equity and brand loyalty different when both are responsible for the increased sales of an organization's brands?

Internet Exercises

1. Visit the website http://www.sugunapoultry.com and check out the various brands of this group. Enumerate the various brands of value-added eggs they are selling. How have they tried to brand these eggs?
2. Visit the website http://www.dhampuresugar.com and see how the organization has branded a commodity item like sugar.

CD Exercise

View the Aditya Birla Group ad and discuss the benefits of building a strong brand in the light of the Aditya Birla Group.

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CASE STUDY

Cooking Up Maggi Noodles*

Maggi Noodles was launched in 1982 by Nestlé India Limited as Maggi 2-Minute Instant Noodles under the prepared dishes category. Nestlé is a Swiss company, whose link with India goes back to 1912, when it was well known as 'Nestlé Anglo-Swiss Condensed Milk Company (Export) Limited'. Since then, Nestlé has stood its ground firmly in India, by setting its foundation as a well-known brand, offering solutions to customers' wants in different segments. The brand still commands an envious market share of more than 90 per cent and has successfully launched sauces, pastas, and soups (Chamikutty 2010a). Maggi Noodles is one of those brand names for whom

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the quote, 'I came, I saw, and I conquered' is apt. The brand replaced favourite Indian *desi* snacks such as *samosas* and *kachoris* with a hot bowl of Maggi Noodles (Viswanath 2002). Over the years, the success of the brand has been commendable, especially considering the fact that it had the added task of creating the category as well (Das 2010).

'Fast to Cook … Good to Eat Maggi 2-Minute Noodles'

Maggi used the tagline of 'fast to cook, good to eat' to woo the Indian audience in the early 1980s. Maggi understood the consumers' inertia and apathy to try new things (Chamikutty 2010b). Indian consumers, at that time, were evincing interest in Chinese noodles and Maggi launched its noodles to take advantage of this craze (Das 2007). It offered convenience to the housewife and at the same time did not undermine her involvement with the kids (Sharma 2010). The housewife could be creative and add her own variations to the recipe by adding different vegetables to the noodles. Maggi blended itself with the Indian culture, which is known as the land of masalas and curries. It launched the masala flavour in the introductory stages, which was instrumental in making the brand a success in the industry. The masala flavour made its way in to the heart of the consumers, and Maggi found a place in the monthly budget plan of a household (Das 2010).

An uphill task

The task for Maggi Noodles at the time of its launch was twofold—first to promote the concept of noodles and second to establish the brand and educate consumers about the advantages of the brand. The use of brand elements like its tagline 'Fast to cook and good to eat' and its catchy jingle 'mummy bhook lagi hai' (Mummy I am hungry) helped in brand recall. The brand targeted mothers with the convenience plank and children with the fun element. The advertising campaign was followed by promotional activities to encourage consumers. Free samples were given away in metros and small towns to introduce the brand to consumers. Promotional trial packs were distributed in schools as well (Sharma 2010). The other promotional activity that helped in attracting the target market was the introduction of schemes offering 'gifts such as toys and utensils in return for empty noodle

packs'. This promotional stint not only helped the brand identify its potential consumers, but also helped it create a new market segment—the segment of the 'instant noodles', which greatly attracted the Indian consumers. Maggi never looked back. With time, everybody wanted a hot bowl of Maggi Noodles, which became a trustworthy companion for breakfast, lunch, and dinner (and occasionally the in-between meals). Moreover, if you did not feel like cooking or the end-of-the-month budgetary constraints did not allow eating out, Maggi was always a good substitute. Soon, Maggi became as synonymous to noodles as Xerox to photocopiers.

Wastage of 2 minutes

In the years of the 1990s, Maggi saw a phase of downfall— unimaginable for a brand that had built and ruled the category. This undreamt-of-situation occurred when Indo-Nissin came in with Top Ramen Noodles, a product relatively similar to Maggi, but with a twist in the taste category (see Image 1.5). Top Ramen was not alone in entering the market in that era (Sharma 2010). Another brand was the Nepal-based company Wai Wai. Both these brands instantly took charge of the market, as there was a difference in their flavours as compared to Maggi. Image 1.6 shows what Wai Wai had on offer.

In 1997, Maggi tried innovating itself to add excitement to the market. Its noodles got thinner and there was the addition of a new flavouring agent named 'tastemaker'. This new variation instead of taking the brand to a new high dampened the consumer's enthusiasm and damaged its brand image. Maggi Noodles touched its lowest point in the entire 15 years of its existence in the country. On seeing the negligible impact of the new flavouring, Maggi Noodles Masala was completely phased out, instead new variants were tried, and Maggi Macaroni was brought in. The macaroni did no good to save the Maggi Noodles brand and therefore was phased out as well, two years after its launch.

For two years, Maggi experimented with its noodles. It finally understood that the path to recovery was the original flavour. To heal its deteriorating brand image, it re-introduced the Maggi Noodles Masala in 1999. Nestlé brought back the much loved Masala Noodles, but this time keeping in mind the market trend, they gave it a twist of

Image 1.5 Flavours offered by Top Ramen Noodles

being 'healthier' and 'tastier'. This proposition did wonders for them and within a year, it went back to becoming the market leader. Indo-Nissin had become complacent and was taken by surprise at this comeback. Maggi not only recovered lost ground, but also wiped out the competition. The recall power of Maggi was so strong that eliminating the competition became easy for Maggi (Sharma 2010). 'In July 2001, Maggi replaced Nescafé (Nestlé's coffee brand) as the company's core brand. Nescafé had been NIL's core brand since 1998.'

The health plank

The turn of the century saw Nestlé shifting to 'healthy' products. Consumers too were becoming greatly health conscious. Thus, Maggi repositioned itself on the health platform with its tagline 'Taste bhi. Health bhi' (i.e., it is both tasty and healthy). In 2005, it launched a number of 'healthy' products to attract the health conscious consumers. There was the Maggi Atta Noodles (vegetable atta noodles) made of whole wheat flour and vegetables, which is healthier compared to the refined flour variety. Maggi Dal Atta Noodles was also launched (containing whole wheat flour and pulses), which had to be phased out again as it did not go down well with the consumers' palate. This was followed by rice noodles and the range consisted of shahi pulao, lemon masala, and chilly chow. The traditional range was enriched with calcium and protein, so that the children (their target market) got up to 20 per cent of the required intake from Maggi (Das 2007).

Bonding with consumers

Maggi has launched many commercial campaigns in order to connect itself with the Indian customers, and instead of using big Bollywood stars, they have used common people or used models who appeal to the common man (see Image 1.7). It had used Preity Zinta to build awareness about its ₹5 pack, and she has the distinction of being the only celebrity to endorse this iconic brand.

Source: http://cgfmcg.com/white_noodles.php.

Image 1.6 Instant noodles by Wai Wai

Source: http://www.maggi.in/merimaggitvc.aspx.

Image 1.7 Maggi's 'Aam Aadmi' packaging
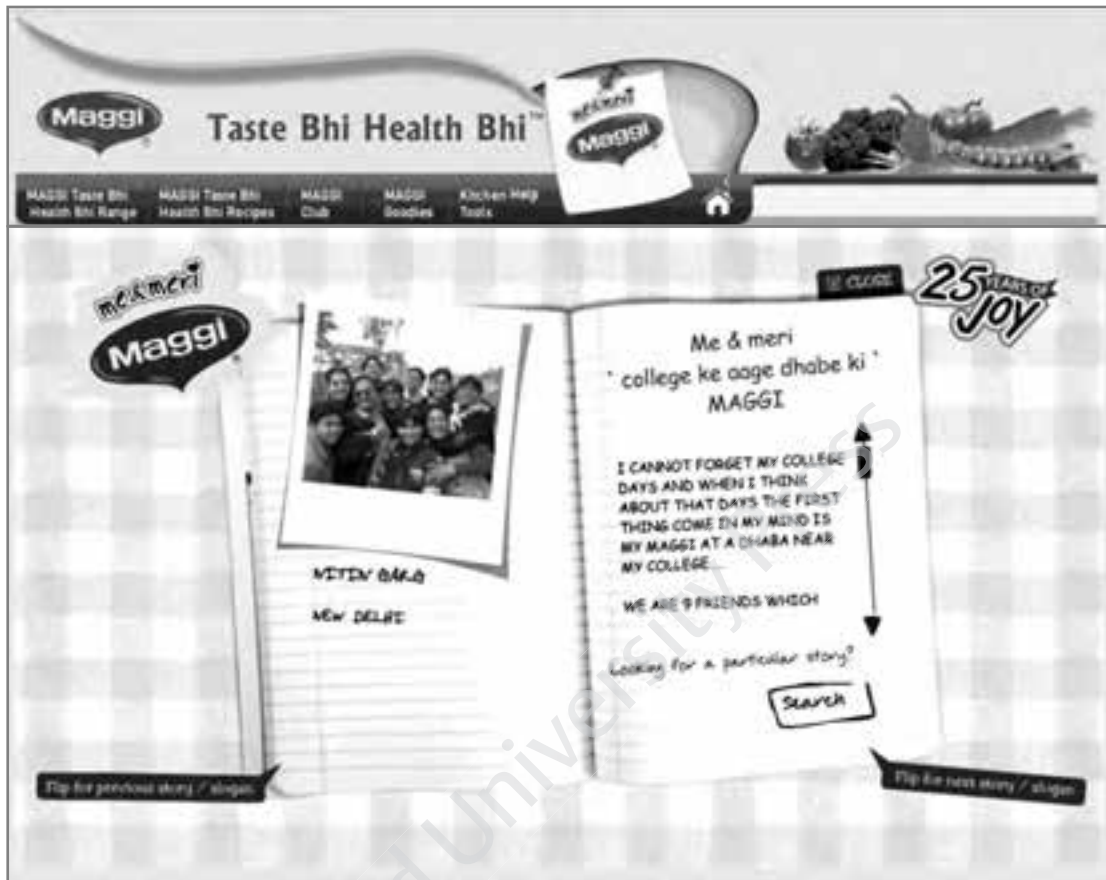
Image 1.8   Me and Meri Maggi

The use of the common man in the commercials led to a relevant linkage between the customer and Maggi Noodles. Pradeep Kumar, CA, says, 'Whenever I missed my mother or *gharwala khana,* I always used to eat Maggi.' A consumer of Maggi relates to it strongly and it generally goes in the monthly buying list of a household.

Shaili Patnaik, another consumer, states that Maggi has become such an integral part of her life that while travelling abroad, she tends to carry packets of Maggi depending on the time-frame of her journey, trying different recipes and flavours as add-ons, ending up having a different yet similar comforting experience. This highlights the fact that there exists a strong integration and foundation of the brand in the minds of the consumers.

On completing 25 years in the Indian market and having a whole generation of consumers who had grown up on Maggi, it made sure that it did something special. People who had first tasted the brand as kids were now running households. Seeking to strengthen this association, Maggi initiated the 'Me and Meri Maggi' campaign (Bhandari 2009). (See Image 1.8.) The campaign was an attempt to highlight the happy occasions the consumers had had with the brand and relive their best experiences—their 'Maggi Moments'. The chosen entries were enacted in a TV commercial, printed on Maggi's packs or in newspapers, and also posted on the Internet. Maggi had people participating from all over India, illustrating the fact that Maggi was not just a snack for them, but had become their

companion and soul mate. The identity of the brand was still very strong and the company understood this after the response it received in relation to this campaign.

Manaya Garg from Delhi says Maggi has held an essential place in her life. From her childhood days, to her school, college, office, and marriage, Maggi has always been there for her. Consumers like Paremal state that every time the Indian cricket team wins a match, they celebrate it with a hot bowl of Maggi. Maggi is not just an integral part of Indian consumers, but also of the Indians living in different parts of the world. Neelam Sean, a native of Canada, states that it was splendid seeing Maggi in Canada, and also that it is the only snack that her 9-year-old can cook; hence it has made a special place in her life. Consumers connect with the brand and the relationship they have developed with the brand over the years has resulted in a high brand equity that is unrivalled. Its reliability, convenience, and health platform has resulted in it being a part of the Indian kitchen with high recall in anytime snacking category.

Conclusion

A market size of ₹1000 crore, along with a CAGR of more than 20 per cent, has attracted a number of players to the Indian market. Unilever's Knorr Soupy Noodles, GSK's Foodles, Wai Wai, Top Ramen, Big Bazaar's Tasty Treat, etc., are some of the brands that are vying for their share of the pie. Knorr has Kajol explaining to kids 'thoda khao, thoda piyo' and the soupy part adds value making it healthy and adding fun at the same time. Foodles used the nutrition plank to differentiate themselves and were able to capture 5 per cent of the market share within three months of their launch in the South. Though a number of players are entering the market, Ajay Gupta, CEO of Capital Foods believes that with a CAGR of 20 per cent, there is room for everyone. However, it is Maggi that is credited with teaching the unwilling and unadventurous consumers of the 1980s to eat instant noodles out of the pack. In a country like India, where language changes every four kilometres and food habits change every 200 kilometres (Chamikutty 2010a), Maggi has successfully broken this barrier and is a brand to reckon with. Its success lies in its ability to refresh its brand portfolio at regular intervals of time according to the tastes and preferences of the consumer and maintain the ever-important connection with the consumers. Thus, Maggi as a brand is resilient, and over the ages manages to be young for the consumers.

Discussion Questions

1. How did Maggi climb the ladder of success through its branding activities in its initial years?
2. Child: 'Mummy Bhuk Lagi Hai', Mummy: 'Bas 2 Minutes'. This became a household phenomenon instantly. What was the major reason for Maggi to pick-up an Indian line for branding itself?
3. Comment on the branding strategies of Maggi over the years. What further recommendations can you suggest to Maggi to enhance its brand equity?

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