

Marketing Management - II
Prof. Jayantha Chatterjee
Dr. Shashi Shekar Mishra
Department of Industrial and Management Engineering
Indian Institute of Technology – Kanpur

Lecture No. W4-L3
Branding Strategies

Hello as you know this is our course on marketing management part 2 on advanced concepts of marketing management and we are discussing brand and brand management. I am Jayantha Chatterjee. Here is Professor Shashi Sekar Mishra we are both from IIT Kanpur IIM department. At the end of our second week when we have discussed you about an investigation which you need to conduct in your locality on how different new products are evolving in the food and beverage a domain.

We had raised one point that whether a particular soft drink beverage is bought because of its flavor because of its benefit or because of its brand it is that question. Which will we bring back this week again and again Dr. Mishra has already introduced to you what is brand and why we need brand what is the concept of brand mean and brand equity etc., Today we will look at some strategic aspects of branding some dos and don and some situations.

Which will we discussed to illustrate with examples the effectiveness and the need of brands strategy fundamentally. We need brand because of the very mission of marketing. Today which is to rise from mayor transaction or sort of faceless relations to relationships which are based on recognition based on creating a long-term customer experience ultimately which can lead to customer advocacy.

Where customer becomes your co market year and on this trajectory to raise from mayor transactional marketing to marketing for customer advocacy. Brand is almost like our mantra or our religion because it is the brand that sort of transfers all the innovativeness. When the product or service is conceptualized into delivery parameters which make sense to the customers there by creating the bond overtime where customer ultimately becomes your partner.

So, if we look at different situations then we know that leveraging the power of the brand name we cover the market more effectively because by the name by the symbol jingle by the

color. I mean take for example a Coca Cola just the name coke or the color or one of the jingles or slogan like tandem a club coke Coca Cola all of these evoke in a capsule.

Almost a whole host of almost associations these brand associations which evoke sense of benefits or utility as well as a whole range of emotions is the power that is the power. I would like you to think take three brands what are those types of brands that you need to post in your on the forum so we take one brand which is say Coca Cola we take another brand which say amul and we take another brand which say Godrej.

And I would like you to examine in your mind that what is the meaning of the each one of these brand what types of brand are this which you should be able to answer from the sessions that doctor mishra has already covered. And you would I would like you to go to your local shops and see the manifestations of these three brands that is coke godrej and amul in its various of thoughts and let us have the lively discussion on the forum.

This is not a return assignment. But this is the voluntary import that definitely will of course get credit. If you do it well this investigative reporting. So, the point is that why we do it why we do branding why we look for these brand associations why do we careful craft these linkages.

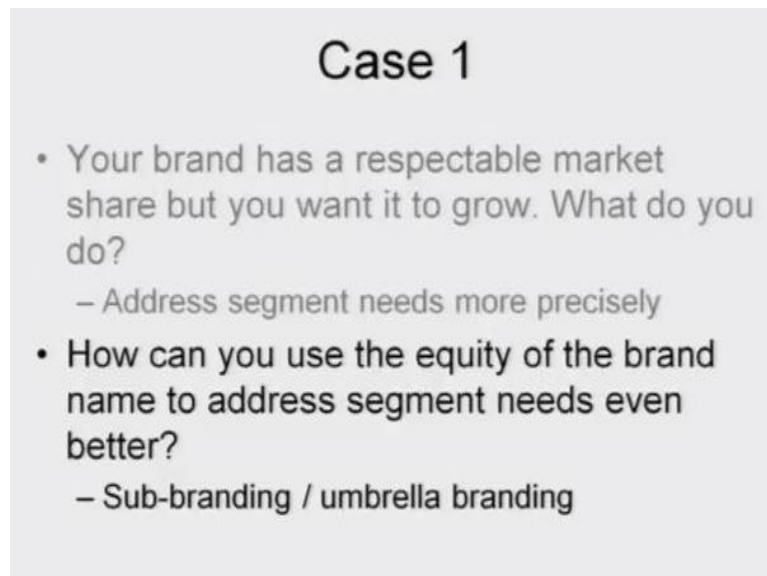
Because what we want a brand to be a long-term story that builds relation with the customer as the product or service evolves because it is very expensive today to really create a brand it takes tens hundreds of cores to create a brand and maintain it over a long period of time and there are already many brands out there so it is increasingly becoming a difficult and challenging and creative to create a brand and maintain a brand.

Take for example all the different TV shows that my TV ads and that are presented. Today they are searching for drama searching, for humor searching, for emotion in various ways in that those few seconds. To create a continuing thread in the customers mind which is almost like a family story you know which we remember from our childhood till our old age and those stories evoke a whole range of emotions.

The brand builders the brand masters or the brand marketers or they are really trying to do exactly that. Today I will now take up a few cases or situations which will illustrate these

various issues and it will become clearer say for example you have a brand has a very respectable market share.

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Case 1

- Your brand has a respectable market share but you want it to grow. What do you do?
 - Address segment needs more precisely
- How can you use the equity of the brand name to address segment needs even better?
 - Sub-branding / umbrella branding

But you want it to grow right I mean we take it for example say a particular brand of toothpaste as a Colgate which is very famous dominant incumbent brand and it is not so easy for a large brand like Colgate to increase its market share. Because a certain kind of inertia assets is so it's already a brand image also exists about Colvin right and Colgate has originally created it on the promise of health benefits and on the bay, it is therefore it is almost an utilitarian brand.

Whereas there are new brands which are challenging it beat the dabour red or be it as various other kinds of marbles this new Pathanjali is done to kranthi and the other they are a big time absolutely I mean they are trying to nibble at this huge position on the other hand it is not only a defensive need but colgate also has as expansion need it needs to grow its volume like any other brand it needs more revenues it needs more profitability in this situation what we do is that.

We start looking at precise needs so today therefore we will see we have a Colgate herbal. We have Colgate with salt Colgate with certain specific agents that helps during the sensitivity problem of teeth. So, by doing this what Colgate is doing is it is leveraging its first brand equity which is called yet and then it is trying to create different types of sub brands within that of umbrella brands.

So that it covers every new challenge that it is facing herbal and ethnic challenge it creates Colgate herbal so sub branch or associated brands are often therefore they needed to face challenges for a large brand. But it is also a way to create a new position when a new company comes into the picture I just probably add something whatever it is a part of a usual evolution of brand that which was of a mass market appeal initially a major part of its initial years or decades.

So Colgate was a mass market brand now what happens as a market evolves so the customers within a health mint start realizing their need whether they need basically a herbal product or whether they have a sensitive teeth and that is way it is since they already have ad health brand or a health benefit brand they can cater to those needs better by offering the specific sub segments or some sub brand or you can say niches within that go and cater to the needs better and the customers will be able to relate better with colgate.

And then any new brand as you because already has said have certain kind of equity in that brand. So, leveraging that is possible with goal guidance so therefore as you are very right that it becomes as the product evolves or as the category evolves or as the industry evolves it is not always easy to maintain a mass brand which is like one size fits all that is the stage when you need to create different phases of the same package highlighting a particular benefit.

So, you go that you are benefits and then within health benefit you have the sensitivity or you have the herbal benefits you have benefits with my swing of teeth in or it a fresh breath or gum health and so on and so all of that together is healthy teeth or healthy mouth but then you are creating a particular segments is also almost to address a very specific need now.

When we do this sub branding one approach is like colgate we can say colgate herbal colgate salt colgate sensitivity or colgate with mint or colgate in gel and so on. We see that in many others for example in shoes famous Nike brand.

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Sub-branding

- Creating new brands which are part of the parent brand family – expressed as suffixes of the parent brand.
- *e.g Nike Air Jordan is a sub-brand of Nike which is the parent brand.*
- *Apple I-Pod, I-Pod Mini, I-Pod Shuffle and I-Pod Nano and then I-phone series*

So, Nike Air Jordan or the Nike is the power a parent brand and then we have this sub brands or Apple is a very good example. So, we have apple if the parent brand under the like we have iPod apple mini iPod shuffle iPod nano then continue with iPhone and two three four five six and so we can write the whole story now may be hundred and beyond as days go by and there are brands where the original parent brand has survived like Colgate for decades and decades.

But in other some cases some little modification is necessary and that is for example Coca Cola is often also resorts to use of coke so which is a little modification of its original name and Coca Cola reminds me also sometimes the sub branding or rein crimation may not work very well so everybody knows the story that first of course it is humored that Coca Cola might have engineered.

The whole issue that there was Coca Cola and they brought in something called new coke and there was a lot of reaction to that customers wanted the old coke back. And they came the old coke Coca Cola in its original form etc., and there why it kind of re rejuvenated the customer interest and the folklore about Coco Cola.

So therefore, branding sub branding different approaches to creation of sub brands brings us to again this little more explanation on this brand parent brand or umbrella brand so when all this sub brand are linked to the main brand and then the that is what we are calling an umbrella brand.

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Umbrella branding

- When you have many sub-brands, each linked to a common brand, then the common brand is known as the umbrella brand
- E.g. Ford Ikon, Ford Ecosport, Ford Focus, Ford Ranger, Ford Freestyle, Ford Expedition, Ford Thunderbird.
- Maruti Swift, Baleno, WagonR, Omni

And umbrellas brands of course has the umbrella concepts has more power so a it can actually remaining within the transportation category so ford ikon ford eco sport ford ranger these are all the different types of sub brands that can be created or Maruthi swift Baleno etc., That can be done but ah also sometimes these instead of just using independent

So, as you can see here we have a little two approaches one is baleno it doesn't say Maruthi baleno whereas in his initial branding Maruthi said Maruthi 800. The word Maruthi was again emphasized these days now that Suzuki has the major share and through the name and the word Maruthi is not that emphasized. Because it is always there but baleno is trying to create by itself everyone a brand, it has even as it has its own distribution channel called what is that Nixa or so there therefore it is possibly over a long run.

The up segment in this car market Maruthi is trying to creates its different channel actually because they do not want to mix that middle or the entry segment with the upper segment because Maruthi has traditionally that that it's the car of people's car kind of thing like mass market and if they want to enter into the upscale luxury market yeah so possibly a kind of you know trying to learn from the strategy of Toyota.

Where Toyato with Lexus and they had experimented with this separate distribution channel the separate kind of service promise the separate kind of you know treatment for the customer etc.,

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Case 2

- Your brand has a respectable market share and you want to protect it from growing competition. What do you do?
 - Address that section of the market which does not buy your product
- How can you attract customers who do not buy into your brand's equity?
 - Flanker branding

Now we can go to the another situation where brand has the respectable market share. And there is a lot of new challenge new competition you want to protect so in this case obviously one good strategy is expand the market.

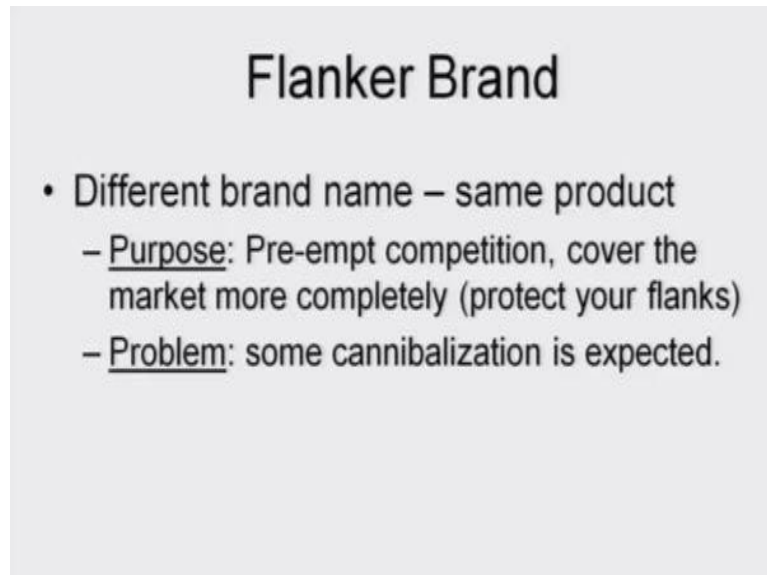
So, you have a market your brand dominates other people are attacking one option is of course to the respond to them so there are herbal manufactures who are harping on that Indian ethnicity. So, Colgate responds with Colgate herbal or Colgate clove oil etc, But the other option is that to expand the scope of the original brand as a brand leader and the power since you have that brand power.

You can expand your basket of offering that's another way or you can create flanker brands which will be protecting you from these people who are trying to eat into your so you create a defense mechanisms. One of the good example of this flanker brand in India is tied bring launched by PNG and to protect the position of the aerial correct absolutely up segment and there are lot of brands which were coming at the low-price product premium.

And challenging some of the position of that so they came out with this Tide and Tide is one of the most successful grunts very good example so it which shows that either you can like Maruthi create Baleno which is the luxury brand up stretch and so you can go upwards and you can go with two and from conventional or utilitarian brand to more hedonistic luxury brand inspirational positioning or you can go and protect your side or lower side of the market which is the PNG diet is the good example of that.

So that the market which is cannot be addressed by aerial because of its cost structure or because of its brand image you create another flanker brand to does that so flanker brand.

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Flanker Brand

- Different brand name – same product
 - Purpose: Pre-empt competition, cover the market more completely (protect your flanks)
 - Problem: some cannibalization is expected.

Therefore, different brand name but the product is the same if you have it is the same benefit the core constituent is the same absolutely it is detergent but you create a different name so that you actually you compete against such brands whom you do not want to recognize your competitor. But yet do not want to fall prey to sort of competency and you want to protect your lower side.

You want to create opportunities at the upside and so on yeah now obviously if you create a lower priced different named in the some market. So therefore, if you actually create tied to some extent the market share of Ariel with be cannibalized. but it is better that they cannibalized your own market that somebody else that I think there is a there is one thing that the chance of people going from aerial to Tide will some consumers may try that.

But overall if you look at thing the customer who begins to try with that Tide and as probably you see in an Indian economy that the income levels are rising in the probably the aspirations also so maybe there are quite a good chances that a person who has tried are using Tide will move upwards to the towards the aerial in that way. You are able to basically acquire and retain the customer and if goes to the other competitor at the beginning absolutely.

Then that is your loss and probably you will never be able to get that customer very good point and I want to close today's discussion with another type of flanker branding and that could be like this example of Thumbs up and Coca Cola in India so Coca Cola is a global brand it has some certain properties which it cannot dilute like for example its taste it's a experimentation with different level of sweetness.

So, you have Coke you have sub brand Coke zero you have light but there may be a different kind of taste all together, which has a particular appeal in a particular culture or in a particular geography like Thumbs up originally people say that Coca Cola purchase that brand basically to kill it yeah later it Ryder. But then they found that Thumbs up with its zing or whatever which means basically I think high sugar content or certain other chemicals that gives you a kind of kick so it's kind of a lower price energy drink.

So, it is not exactly a red bull but it has some of the properties of the Red Bull. Now then you understand that this is a kind of appeal is very valid in India which is a large market for soft drinks and therefore you retain that brand and you understand that maybe it is a small percentage of coke market. Which is eaten up by Thumbs up but, you actually enter to an almost entirely different kind of market which is normally is not the coke drinkers.

So, Coca-Cola instead of killing the brand they put resources in Thumbs Up brand. Because they understood that there are large number of Thumbs up drinkers. Who preferred Thumbs up has opposed to coke they must have been very surprised at that time from their sense of superiority that might have thought oh coke must be better than anything else they understood that they has an asset and not something they need to kill.

So that is how Thumbs up become a flanker brand which is purpose of which is not exactly to protect the lower segment. Because the price wise both may be sold at the same price it is to protect another type of market sentiment taste emotion. And that is why you will see Thumbs Up is really sold on the some kind of promise which is very hard to define this to funny and this musty and all that kind of things.

So, it is to protect a certain kind of taste, certain kind of emotion and a certain kind of customer preference. You can create a Flanker brand like Thumbs Up to Coca-Cola. So, we

will end our Today's session here and we will continue from on the same team but with different cases tomorrow Thank you.