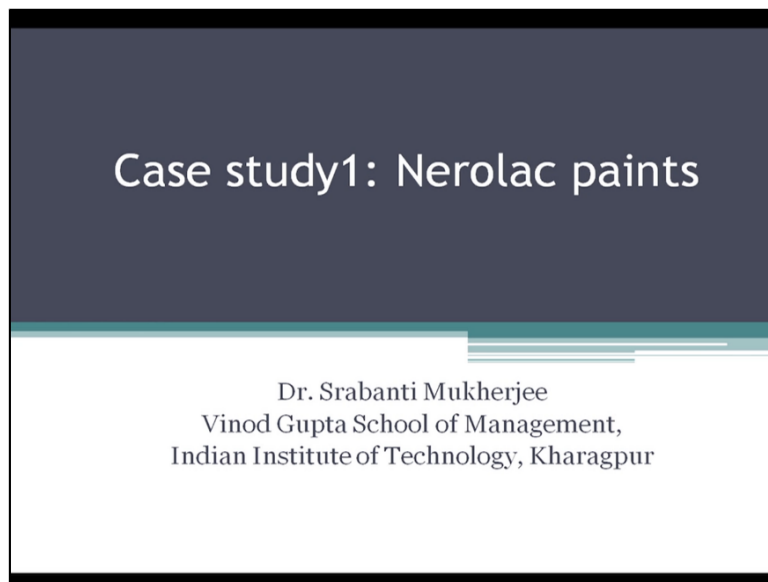


Consumer Behaviour
Prof. Srabanti Mukherjee
Vinod Gupta School of Management
Indian Institute of Technology-Kharagpur

Module No. #02
Lecture No. #08
Case-study on Motivation and Involvement

So, welcome back. In the Last Session, we have covered, the Concept of Motivation and Involvement. Now, in this Session, we first want to elaborate, the Concept of Motivational Involvement, with the help of a Case-study, of Nerolac Paints.

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Now, in this Case-study, we will see, Nerolac being a Market Challenger, what is the problem, they are facing? And, how they can overcome that? And, how the Market Leader like Asian Paints, what actually make them the Market Leader? And, how they have motivated, their Customers?

How they have converted, Low Involvement Purchase, to a High Involvement one? And, what is the task ahead for Nerolac, in this context? So, we will go by, this Case-study? This is the first, probably the Case-study of this course. So, I Dr Srabanti Mukherjee, will be presenting you this.

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Nerolac's Ambition

- Nerolac is a reputed paint brand of India existing for over 97 years.
- The company was established in 1920 as Gahagan Paint and Varnish Co in Mumbai.
- After a long journey of almost a century and moving from one hands to the other, at present Nerolac is a subsidiary of Kansai Paints and known as Kansai Nerolac Paints Ltd.
- Since 2000, the company is trying hard to be a market leader in the Rs 2.1 Billion Indian paint market.
- The present market leader in the paint market, Asian Paints, established in 1942 by Champaklal H. Choksey, Chimanlal N. Choksi, Suryakant C. Dani and Arvind R. Vakiis, is India's largest paint company and Asia's third largest paint company, with a turnover of Rs 140 billion.

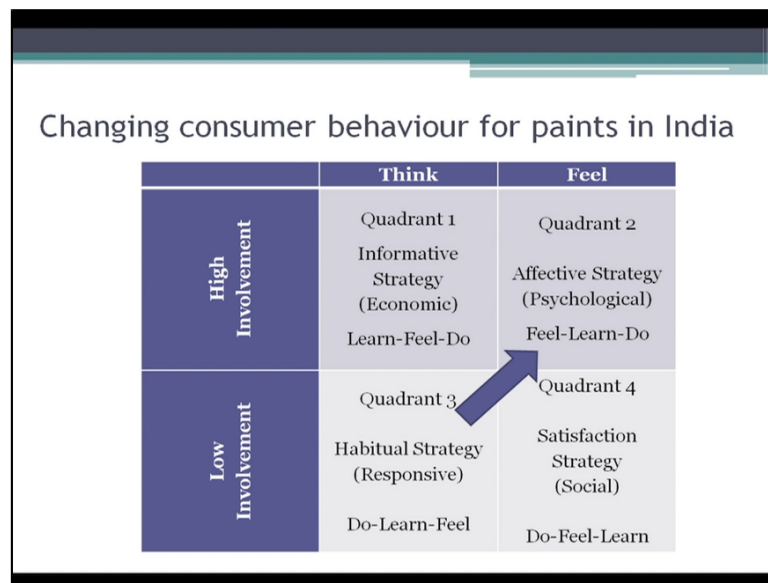
Hence, Nerolac is a market challenger.

Nerolac, is in India, for about, 97 years. And, it is a reputed Paint Brand. The Company was established in 1920, as Gahagan Paint and Varnish Company, in Mumbai. After a long journey, of almost a Century, and moving from one hands to the other, at present, Nerolac is a subsidiary of Kansai Paints, and known as Kansai Nerolac Paints limited. Since 2000, the Company is trying hard actually, to be the Market Leader, in the 2.1 Billion Indian Paint Market.

So, it is understood, that the Paint Market in India, is quite large, which is 2.1 Billion Rupees. Now, apart from Nerolac, and the Market Leader Asian Paints, there are several other companies, those who are playing in this Market, like Berger Paints, Dulux, and some other Paints, are already there. But, at present, the Market Leader in this Paint Market, is the Asian Paints, which is established in 1942, by Champaklal H Choksey, Chimanlal N Choksi, Suyakant C Dani, and Arvind R Vakiis.

And, this is the India's largest Paint Company, and Asia's third largest Paint Company, with a turnover of Rs.140 Million, on an average. Hence, Nerolac's position, is just after Asian Paints. And, we can call Asian Paints, as a Market Leader. And, in that case, Nerolac as a Market Challenger. Because, it wants to be a Market Leader, but it has to take some strategy, to become that.

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Now we look, at something called, FCB grid, which we have covered, in our Last Module of Involvement. Here, we will see, the changing Consumer Behaviour for Paints, in India. In FCB grid, as we know, there are Four Quadrants, based on the level of Involvement, and level of Cognition, and Emotional attachment. Which means, the Impulse part. Now, the First Quadrant One, that is High Involvement and Rational Purchase. So, we put it as, High Involvement and Think.

So, in this case, it is more or less, the Economic appeal works more. Or, to be more specific, we can say, the Rational appeal works well, in this context. Because here, most of the time, people look for more information about it. May be, the information about the Product itself. I mean, the Variants of the Product, the Price of the Product, and all this. So, in this case, as we see, in this particular slide, if you see, that it is written as, Learn, Feel, Do.

We have discussed this, in Last Session also. That Learn, in this case means, that First you gather information about the Product. Followed by, you develop a liking for certain Colour, or certain Brand. And then, you actually go and Purchase that Brand, that is the, Do part. Second Number Two, that is the Quadrant Two, which is High Involvement but Feel, which is High Involvement but Emotional Purchase. So, in this case, Affective strategy, that is Psychological strategy, Feel, Learn, and Do, helps.

So, that is in Quadrant Two, in this case, first people develop a kind of liking about a Brand, followed by, once they start liking it, then they search, more information about it. For example, if they like a Paint Brand. So, they will look for, what are the Variants, what are the

Colours, what are the Shades, or what are the different Price Variants, this particular Paint Company is having. So, this is how, they try to learn about the Brand more, or even the competing Brands more.

And then, they finally, take a Purchase decision. Now, in the Third Quadrant, what we see here is the, Low Involvement but Rational Purchase. So, these are mostly the Habitual things. For example, when we buy a packet of Biscuit, or Sugar, or something like that. Then, that case, it is almost, we know the Brand. It is almost, a Habitual Strategy, or Responsive Strategy. But, in this case, we do what is, Do, Learn, and Feel.

Which means, First, we Purchase it. Then, we start understanding the features of it. And, once we know the feature, consume it for a number of times. Then, we start developing the liking, or the attachment for the Brand. Quadrant Number Four, if you see, this is Satisfaction Strategy, which is Low Involvement and but Emotional strategy. That is a Satisfaction Strategy: Social, which we say, Do, Feel, and Learn.

Like, Candies, Chocolates, and all this, where people buy, out of Impulse first. And, after that, they start liking it. They are, liking the taste of a particular chocolate. Then, they learn the different Variants, about the Product. Now, looking at the Paint Market. The case, which is being discussed here, is like, the case of Asian Paint, first. Like Asian Paint, how they became the Market Leader, or whatever changes they did.

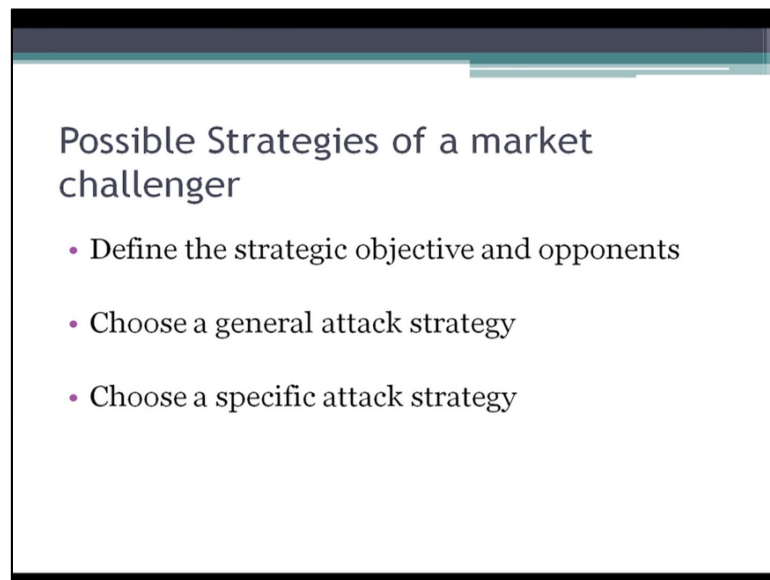
You see here, Paint, before 1990's rather, the people used to think, Paint is a kind of Product, which is taking care of by, the Contractors of the Buildings. So, we only just used to give the, which Colour you want to choose. Apart from that, the quality of the Colour, or the Emotional attachment with the Colour, was much, much, less, it was more of dependent, on the, Contractor's choice.

Sometimes even, we used to choose the buildings, and we depend on the contractor's suggestion, on choosing a Colour. So, it was most of a kind of, very Low Involvement strategy. So, people hardly got involved. People, only for housing purpose, people got more involved, about the location of the House, the other materials of the Houses. So, but Colour, was not so much important to us, so far.

So therefore, we first use to put the Colour, and then we see, that it is not good, or it is not looking good. Then, we started learning, which Colour suits well. And then, we started developing our feeling, towards a certain Colour. So, that was a kind of Habitual Strategy, so far. But, Asian Paint, they have very nicely, you know, changed Customer's Involvement level. They have moved, the Customer's Involvement from, Low Involvement to the High Involvement.

And, that too, from Low Involvement Rational Purchase, to High Involvement Emotional Purchase. So, we can say, this particular shift, you can see, this particular shift, which we see here, from Quadrant Number Three, to Quadrant Number Two. This is a very interesting shift. And, how they did it. So, we will discuss this.

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Defining the Motivational Cues shaped by the Market leader- Asian Paints

- Manifestation as elegant paint, improved technology and quality of production by their Ad agency Ogilvy and Mather.
- “Every home has a story to tell”-relating the colour of the house with consumers' personality and status.
- Asian Paints Royal promoted by the famous film star Saif Ali Khan portrayed the elegance of the brand.
- In 2015, they used the slogan “ Every colour has a story to tell” that portrayed the exclusivity of colours.

So, what are the Motivational Cues, which they have used. The first Motivational Cue, which was shaped by them, is the manifestation as, elegant Paint, improved Technology, and Quality of Production, by their Ad Agency, Ogilvy and Mather. Now, the first positioning, which they made is, Har Ghar Kuch Kehta Hai. This was, Har Ghar Kuch Kehta Hai, they have done it in 1990's. In 2014, they have converted it to, Every Home has a Story to Tell.

And, this is where, they wanted to show that, how this could act as a Cue for the Customer, that the Homes, mirrors the people, living there. So therefore, that was the first change, which they have made. Followed by, Asian Paints Royal, was promoted by famous Film Star, Saif Ali Khan, portrayed the Elegance of the Brand. In 2015, they used this slogan, Every Colour has a Story to tell, that portrayed the exclusivity of the Colour.

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Motivational cues used by Asian Paints

- Esteem Need : Maslow's Hierarchy
- Ambition(Recognition) need: Murray's psychogenic needs
- Exhibition need: Dichter's consumption motives

So, initially when it was a need based thing, like a Colour has to be put, because they want, you know, the cement to be less damaged, and all this. So therefore, they will put a Colour. And, that was the sole purpose. And therefore, it should look better. So, apart from that, regarding the quality of the Colour, Colour could also be a sign of elegance, and what could be the very finest tune of the Colours, finer Shades of the Colours, this was not, so much thought of.

So, Asian Paints, in this case, first they have gone through this kind of Esteem need, which is suggested by Maslow, that whenever you are having a very elegant Colour in your House, a very nice looking Colour, you know, you get a proper deflection of the lights, you get a proper reflection of the Products, which is there in your House. Those Colours are, very nicely coming out, because of the kind of Shades, you have put there.

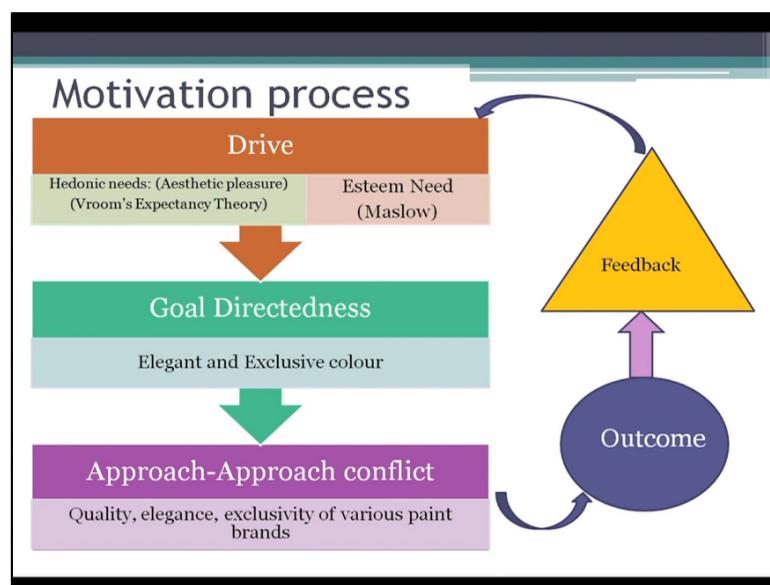
The room is looking very prominent because, you have put a very nice Colour. And, that makes the room, looking very nice. So, all this consideration, first time. And, that gives you, an Esteem need also. That can also, give a demonstration effect, that was not so far, thought of. But, Asian Paint has positioned, in that platform. And, said that, Har Ghar Kuch Kehta Hai, or Every House has a Story to tell.

In, Murray's Psychogenic need, we call it, the Ambition need, or the Recognition need in the society. If so, when people come and recognise, that okay, your House is looking much better. Third One, is the Exhibition need, by Dichter's Consumption motive. So, if you relate to the Motivational Theory, what are the Cues they have used, is basically, these are the Three Cues,

may be like, Maslow's Hierarchy as Esteem need, Ambition need from Murray.

And, we have seen Exhibition need from Dichter's Consumption motive, which shows that, the House in which you are staying, is actually mirroring, your own personality. And, it suffices, or satisfies, your Esteem need.

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To be more clear, we can see, how the Motivational process has been used, in this context. The first One, as in the Motivational Session has discussed, that there are five stages of Motivational process. The Drive, Goal Directedness, the Motivational Conflict, then comes the Outcome, and the Feedback. So, in this case, how Asian Paints has found Motivation, that we are trying to see.

First of all, we look at the Hedonic needs. It is the Drive. That is the Aesthetic need. This is where, it is different. I told you, that in case of Rational appeal, it should have been just the protection of the wall. Okay. But here, we are talking about the Hedonic needs, which is the Aesthetic pleasure. Vroom's Expectancy Theory long back, he has discussed that, people not only have a kind of Reward Oriented Cue, or a Financial Cue.

They also have lot of, Hedonic Cues, or Hedonic needs, to be satisfied. Like, a Pleasure need, Aesthetic need, and this kind of needs. So, an Aesthetic pleasure, is called for in this case, that My House looks nice. And, as per Maslow's need, you can call it, Esteem need. And, as I have said, in Murray Psychogenic needs, you can call it as a kind of, Recognition need, or Ambition need. And, Exhibition need, from Dichter's point of view.

After you feel the drive, to have an Aesthetic Paint, which will give you a kind of elegance, or which will give you an exclusivity in the society, and mirror your personality in the society. So, for that, the goal directedness in this case, is a Colour, which will give you an, I mean, the elegance and exclusivity of the Colour. So, that was the goal directedness. That is what, you want. Now, in that case, there would be Motivational conflict.

And, in this case, the Approach-Approach conflict would be like, most of the Paints, if you look at, Flipkart, Amazon, or this kind of sites, where different Paint Prices are given, almost comparable. So, we can say, Berger also has a comparable Price, with Nerolac. Nerolac also have some comparable Price, with Asian Paints, except a few like, Royal is little costlier than Asian Paints. But, more or less, they have similar pricing also.

Now, in this case, what happens, the Approach-Approach is like, I can choose anyone. So, my approach would be, but the conflict could be resolved, if you give some additional things like, some additional USP. And, that USP could be, in terms of the quality of the Paint, the durability of the Paint. There are certain Paint companies, those who only focus on the durability of the Colour.

And then, they say that, we are staying in the most-rainy region. And, where even, after so much of rainfall and all, my Colour is so strengthly, that it is still intact. So, that is one aspect of positioning, you know. That is One Motivational Cue, you are giving, that is Durability. But, Asian Paints, did not talk about the Durability platform. They were talking about the, Quality, Elegance, and Exclusivity, clearly focused on the Esteem need, or the Recognition need part.

So, the outcome. Now, if this is the Cue, which is being given, and the Customer, whom you are targeting is like this, or you have moved your Customers, or you have given this Motivational Cue to your Customer, to make them think that, you know, Colour can be an Emotional Purchase, Colour can relate to Emotions also. Okay. So, in that case, like for quality, if you say, it was already there.

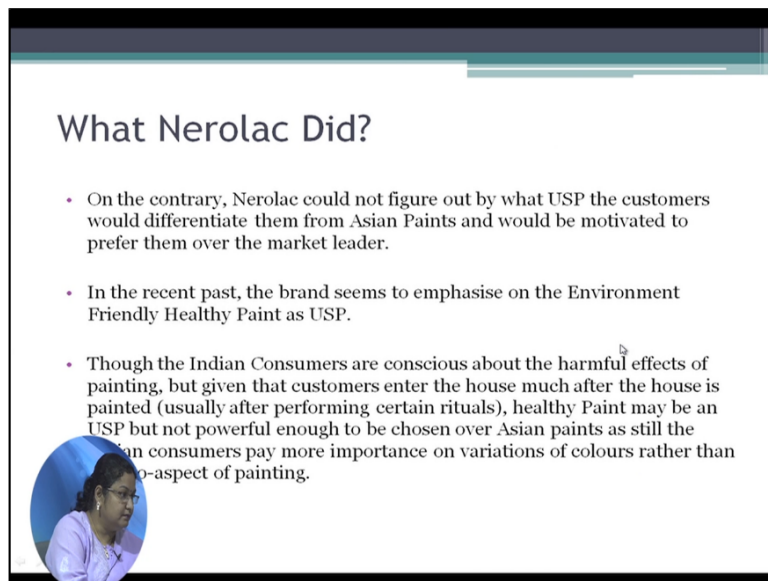
And but, when they were talking about elegance, Asian Paint Royal if you think, Asian Paint royal was promoted by, Saif Ali Khan. Who is not only a very famous Film Star, but he is a

member of a, very renowned Royal Family, of the Country. So, Asian Paint Royal, Saif Ali Khan, and sometimes the Ad has been portrayed, along with Saif Ali Khan, his sister Soha Ali Khan also. And, they belong to a Royal Family.

So, that gave a kind of elegance to the, positioning of the Paint. That is how, the Motivational Cue was transpired, by the advertising message, to the Customer. So, and then they have talked about, the various kind of Colours, which is like, exclusivity of the Colour, like small, small, tiny difference in the Shades, and obviously that. And then, what is the outcome.

Outcome is, this one, where Customers starts, moving from your Habitual Strategy, to Affective strategy. They develop, Emotion with the Colour. So, that has been created. Because, from Do, Learn, Feel, you have actually made them, Feel first, Feelings of the Elegance first, Exclusivity first. And, then they will, start learning about, competing them, as well as, the Variants of Asian Paints, as well.

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What Nerolac Did?

- On the contrary, Nerolac could not figure out by what USP the customers would differentiate them from Asian Paints and would be motivated to prefer them over the market leader.
- In the recent past, the brand seems to emphasise on the Environment Friendly Healthy Paint as USP.
- Though the Indian Consumers are conscious about the harmful effects of painting, but given that customers enter the house much after the house is painted (usually after performing certain rituals), healthy Paint may be an USP but not powerful enough to be chosen over Asian paints as still the Indian consumers pay more importance on variations of colours rather than the health aspect of painting.

So, now this has made actually, the Unique Selling Proposition of Asian Paint, very clear. Because, finally, they are talking about the exclusivity. It is a very nice movement. Har Ghar Kuch Kehta Hai. Then, Every Home has a Story to tell. And, then finally, the Elegance, obviously of Saif Ali Khan has been shown. And finally, when they are talking about, Every Colour also has a Story to say. For example, if it is green, it shows the kind of Freshness.

So, Every Colour also have, some Story to say. So, that was also has been, or Colour also relates to, some kind of personality, some kind of motives, or exposition, of the Customer. So,

that has been identified. Now, we will see, what was the problem with Nerolac, any Consumer segment. Now, Nerolac is a Company, which is again, in both the segments, Consumer segment, as well as, I mean, in the domestic Segment, as well as, it is in the B2B segment, car segment, mostly automotive segment.

So, in automotive segment, Nerolac is doing quite well. Because, Maruti Suzuki, Tata Motors, they are their Customers, who are Painting the cars. So, Nerolac, not only is in the domestic front, it is also in the B2B segment. Now, we see, what Nerolac did, actually. Nerolac, unlike Asian Paint, could not figure out, what USP, the Customers would differentiate them, from Asian Paints, and would be motivated, to prefer them, over the Market Leader. That was not very clear, Why?

In the recent past, they have started, first talking about, the environment friendly, healthy Paints, as USP. But, this will not work. Why? Because, in the perception Session, I will tell you. This, Customer may not notice at all. Why? Because, in India, Customers only enter the homes, long after the House is Painted. Because, House is Painted, after their certain rituals have been performed. And then, the Customer goes and stays in that House.

So during, neither the Customer, have a too much of consciousness, about this Eco-Friendliness of the Colour. And secondly, neither they are going to have, some evil effect of that, too much. Because, they are actually entering in to the House, long after the House has been Painted, usually. Now, they do not come immediately, or during the House is Painted. So, that is One of the reason, this Eco-Friendly aspect, was not so much looked at, by the Customers.

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What Nerolac Did? (contd..)

- Moreover, the 'odour-free paints' has already been used by Nippon paints.
- Further, the recent tagline "Kuch Change Karo, Chalo Paint karo" meaning, "Change Something, Start Painting " does not anyway relate to their core motivational parameter 'eco-friendliness'.



Therefore, in comparison with the market leader Asian Paint, Nerolac requires a much more powerful emotional differentiator rather than only the eco-friendly platform which is almost a passé.

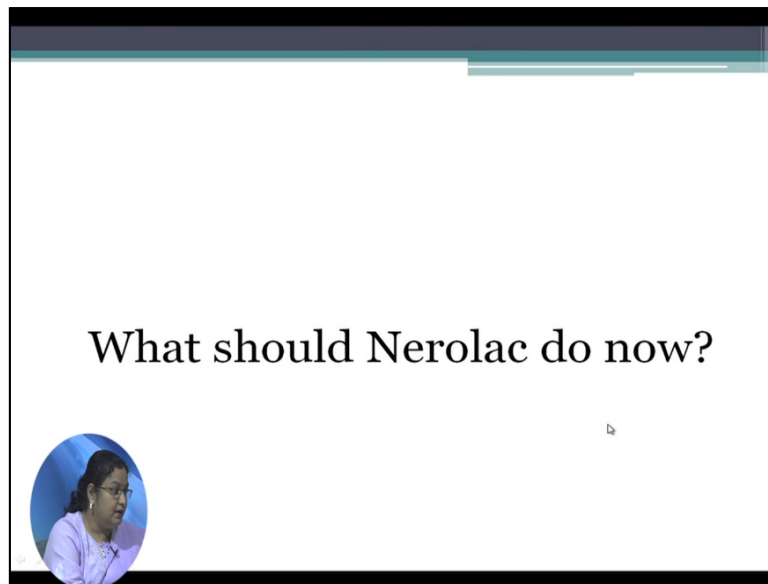
And, this kind of thing, Eco-Friendly kind of aspect, has already been taken by, the Nippon Paints also. Because, Nippon Paints, they have said that, they are coming up with the, odour free Paints. So, it is the concept, was not also very new. Another problem, with Nerolac was, they said that, Kuch Change Karo, Chalo Paint Karo. Which means, Change Something, Start Painting. Now, what are you going to change, with that.

That is not very clear. Because, what Motivational parameter. If you are talking about, Eco-Friendliness, then you should talk about, what change, you are going to be, what change, you are bringing in. If Eco-Friendly, then you are saying that, we are moving from this, to Herbal domain. But, that was not very clearly positioned.

So, that was one of the reason, you know, like Asian Paint, the way they have, the Chronology they have followed, from Quality to Elegance, to Exclusivity of Colour. That Chronology, was never very clearly noted. Not only Chronology, the positioning was not very clearly noted. And, we can see, the Motivational Cue, which they have provided, is also very confusing. Because, you are talking about Herbal, you are talking about Eco-Friendly part.

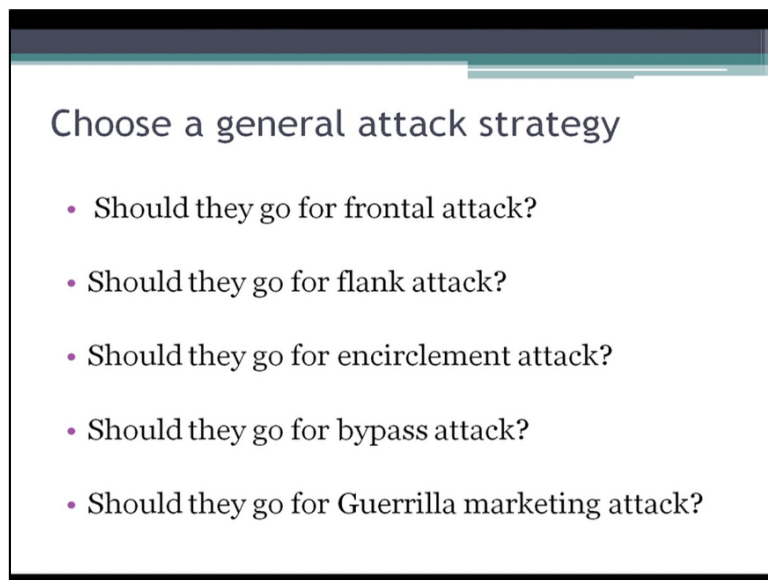
On the contrary, you are talking about, Change Something, Paint Something. But, what change, that is not very clear. So therefore, in comparison with the Market Leader-Asian Paint, Nerolac requires, a much more powerful Emotional differentiator, rather than, only basing on the Eco-Friendly platform, which is almost a Passé.

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Now, what should Nerolac do now. Nerolac, now given, they are, as we will see here, what are the possible Strategies, of a Market Challenger. The Possible Strategy of a Market Challenger is first, you define, what is the strategic objective, and opponents, you are having. Opponent is clear. In this case, A is Asian Paint, with whom, they want to compete more. And, there are other competitors also, like Berger Paints, Dulux, and all others. Then, you have you have to choose from, a General Attack Strategy. And then, maybe a Specific Attack Strategy.

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Now, we go ahead to say, should we go, for a Frontal Attack. Frontal Attack means, it is like, directly attacking your competitor. Like, Asian Paints is talking about, some Emotional things like, say Elegance. Then, you compete in the same Elegance platform, in something. It is directly competing with your competitors, by Price, by promotion, by distribution, anyway.

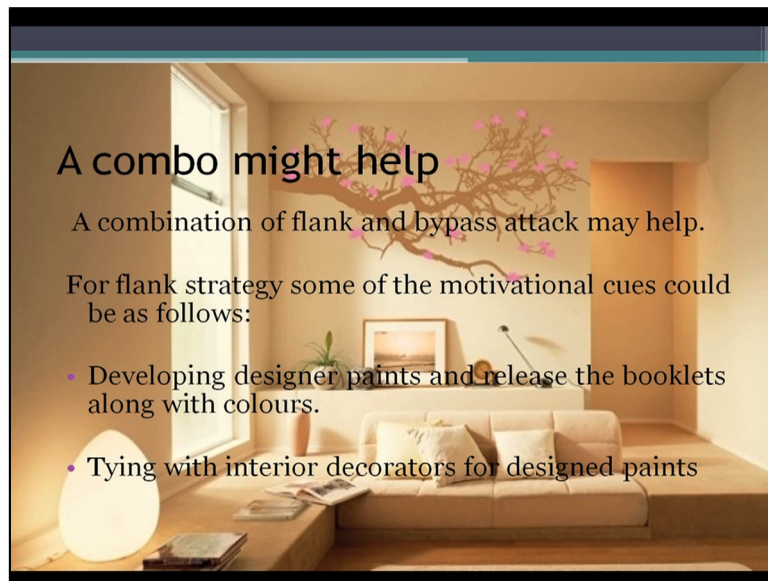
That is one aspect. The other one, is the Flank Attack, which is, you are not directly competing with them.

But, you are actually selecting, little bit of unlooked at segment, or uncontested segment, and want to get a, first mover advantage, there. Even, not a first mover advantage, but at least, that is, in that case, this Market Leader, is not so popular in that segment. And, given your background, as a Market Challenger, and you are financially so strong, you can actually develop a Product, for that segment, or differentiate your Product, and make a Product available appropriate, for that particular segment.

And then, before your competitor realises, you actually get a huge Market share, in that segment. So, this is one, is the Flank Attack. The other One is the, Encirclement Attack. Encirclement Attack is like, like Dettol, they are coming with Hand Sanitiser. It is almost of the same requirement, but having a little bit of exclusive requirement of say, Medical Practitioners, or somebody, who can use it.

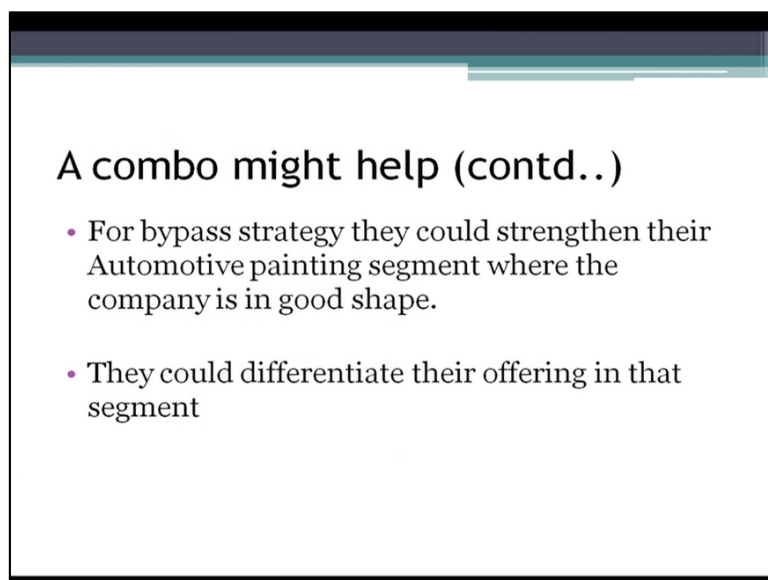
Then, there is another thing, which is called Bypass Attack. Bypass Attack is, do not compete at all in the segment in where, the competitor is strong. Rather, you identify a segment, where the competitor is not so strong. So, there you go and, develop your Product, and operate. And, the other One is of course, the Guerrilla Marketing Technique. Guerrilla Marketing Technique is like, it is a Short-Term, and Promotional Strategy, and a very Low-Cost, unconventional mode of doing it.

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So, therefore we can say, for Nerolac, a combo of this, might be helping. Combo of what? Flank Strategy and Bypass Attack. For Flank Strategy, they can use some kind of Motivational Cue, like in the Designer Segment, Asian Paint is not yet, so popular. So therefore, they can develop some kind of Designer Paints. And, they can also release Booklets of, you know, these Design Booklets, with the Colours itself. They can also, tie with the Interior Decorators, for Designed Paints. This will give them, some advantage in the Market.

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And, as a means of Bypass Strategy, they are very good in the Automotive Segment. And there, they want, they could strengthen them more. They can catch hold of, some more good Companies. And, they can differentiate there also, by coming up with, exclusivity of Colour, in that Segment, Elegance in that Segment, exclusivity in that Segment. So, something new,

something Emotional Platform, which they have not yet done, for that Bypass Segment.

But, I mean, Bypass Segment, that is the Automotive Segment, that they can now very well do. Because, now they have the option, that to strengthen that Segment. That Segment, they are already very good at. So, in a Nutshell, what we are trying to say is, we started with the problem of talking about Asian Paints, which is the Market Leader, and which is in the Paints Market, and which is actually change the Customers way of Involvement, in the Paint selection, from Habitual Strategy, to an Affective Strategy, or High Involvement Emotional strategy.

That is how, they are coming up with, much more kind of elegant Paints. They are coming like, Asian Paints Royal kind of Paints, which is much more elegant. So, all these things are there, and by which, they are creating a Hedonic and Aesthetic drive, for an elegant and goal exclusive Colour. And, their approach by which, they want to differentiate themselves, is the quality, elegance, and exclusivity of the Colour.

And, its Involvement level has been changed. And, the Motivation for the Colour, has been placed almost in a, very different platform. Feedback, of course. Now, the Customer will start using that Emotional Cue, as an evaluative criterion, for Colour. Though, Nerolac failed initially, to differentiate their Colours, with Asian Paints. Because, they are talking about the environment friendly part. And, that was overlooked, because of the Indian Customers way of, living their life.

They are to some extent, these slogans also created, some kind of confusion, to understand the Customers, about the Motivational parameters. So, now if you want to compete with the Market Leader, the possible Market Challenger strategies are usually, all this. Frontal, Flank, Encirclement, Bypass, and Guerrilla Attack.

So, we suggest, though there could be many suggestion, many innovativeness, could be thought of, in any Case-study, as there may not be any single solution, there could be many. But, the logic has to be correct. But, in this case, we are suggesting that, a combo Strategy, a Market Challenger might have helped, Nerolac. If, they have gone for a Flank Strategy, by coming up with Designer Paints, and release booklets of different designs, along with the Colours

And, they can tie up with the Interior Designers, for Painting the Hotels, Residences, and all. So that, that provides Customers, a different Motivational Cue, of designed Colour. And, the other One is of course, strengthening them, where they were already very strong, that is, the Paint in of Automotive Segment.

So, there may be, they can use some more Emotional appeal, to actually place the Customers, again from the habitual Purchase stage, to the High Involvement Emotional Purchase stage. So, this is how actually, the Customer's Emotional Involvement, could be changed from Low Involvement, to High Involvement level. Marketers have the possibility, to take the Strategy, of this sort. So, Thank You, so much.