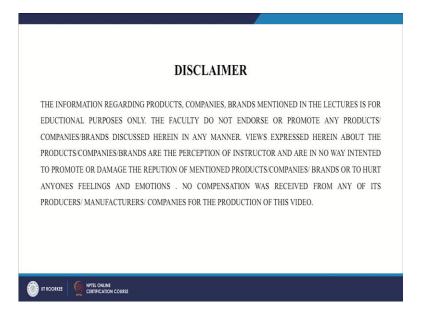
### Product and Brand Management Professor Vinay Sharma Department of Management Studies Indian Institute of Technology, Roorkee Lecture 49 Secondary Brand Associations

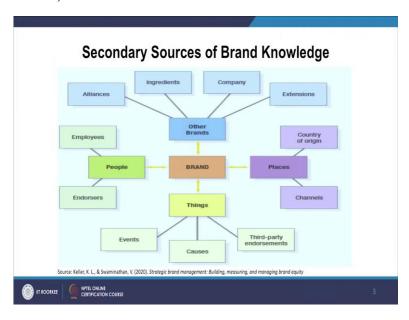
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Hello friends, welcome back to the discussion on Brand Management. We have talked about how to structure marketing programs for developing brand equity wherein my orientation was to give you a larger view through lots of examples because we have talked about 4 P's earlier in product management. So, I presume that you will be watching those videos within this course and then building up your understanding on the contribution of 4 P's for developing brand management, and brand equity.

Now, I will be taking you towards secondary brand associations, a very interesting subject and a very exciting perspective because the brand is surrounded by so many things. Let us have a look.

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Brand is associated with other brands, then places, things, people and all these are called elements or associations. All these associations are a constitutive part of a brand. A brand is inseparable from its associations. So, why not think in terms of associations with a strategic perspective and steer things around not only developing those associations, but also capitalizing those associations, and that is what we are going to understand as far as secondary brand associations go.

So, let us have a broader look at this and then I will decipher all these things one by one. In other brands, there is an element of ingredients, ingredient of a brand as a brand. Company associations are there in terms of other brands, brand extensions are also there, which are very important and it is a desirable association. We focus upon developing brand extensions, we have already talked about this, that a brand manager thinks or conceives in developing brand extensions. This understanding will definitely support us with a very important logical aspect in the brand's lifecycle as well.

Then, there are alliances, look at places for example, country of origin, a very important thing, German engineering, remember this, many organizations talk about this. So, many times a product and a brand belongs to a particular kind of country, for example, we are talking of Swiss watches, Japanese electronics and many things from India. Today, Indian tourism has become a very important kind of a thing as far as country-of-origin perspective goes. There are several products from India apart from consumer products or food products. Today, we have several manufactured products in India which are known for the perspective

of being Indian and it has been a very tough kind of time taking journey which India has gone through by developing itself as a brand in terms of what it does, the research and development, scientific development, education, manufacturing and so on and the brands which are manufactured or developed in India along with an Indian Association. It has been a longer journey in terms of this combination, this association we can have and we can name so many today. A brand is often associated with several events for example, football, cricket, etc. So, people, employees and endorsers, endorsers are a very important element of as far as brand association goes, many times a brand is recognized by its endorser. So, let us see how it comes up and then we are talking of other brand associations in terms of company first of all.

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So, branding strategies are an important determinant of the strength of association from the brand to the company and any other existing brands. Three main branding options exist for a new product; create a new brand, adopt or modify existing brand and combine an existing and a new brand. So, these are the larger premises of when we talk of company. Let us take an example of ITC e-Choupal. So, ITC has been known for tobacco products largely, but they converted themselves more towards being an agri-business based kind of an organization and e-Choupal became a wonderful element of brand association.

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### Company- ITC e-Choupal ITC's e-Choupal initiative is a powerful illustration of a unique model that delivers large societal value by co-creating rural markets with local communities. The e-Choupal digital infrastructure enables even small and marginal farmers in rural Indian who are delinked from the formal markets to access relevant knowledge, market prices, weather information, and quality inputs to enhance farm productivity, quality, and command better prices, thus making them more competitive in the national and global markets.

ITC's e-Choupal initiative has been a very powerful effort and it is a unique model that delivers large societal value for co-creating rural markets with local communities. So, they converted those suppliers from whom they were sourcing their tobacco raw material for sourcing several other products, which ITC actually started producing in later stages, while connecting them through computer and technology and that is where e-Choupal came in.

They connected so many villages, so many farmers or village communities with them as hubs, and then a two way communication in terms of trade and exchange started happening. It is a wonderful kind of an experiment which is now very successful and they have established thousands of such stations around villages. To my knowledge, it is around 100,000 plus, you may check on e-Choupal. So, Mr. Shiv Kumar was highly instrumental in doing so from the side of ITC and Mr. Y. C. Deveshwar steered it when he was heading ITC a few years back.

So, that is how they went ahead with associating everything in terms of their complete value chain. This digital infrastructure enabled even small and marginal farmers in rural India who are many times dealing from the formal markets and then they started supporting them for quality inputs, productivity and so on. On the other side purchasing whatever they were producing with a different kind of a price back and utilizing it for different kinds of manufacturing they were doing in terms of several products, which they started producing and they were producing Bingo, which is one of the most popular products and several other products sunfeast, I think it is again a very popular product.

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# Company- ITC e-Choupal ITC initiative has two infrastructures: Choupal Pradarshan Khet (customised agri-extension services and farmer training schools) Choupal Saagars (Integrated Rural Service Hubs) The e-Choupal initiative has become a fulfillment channel for a two-way flow of goods and services and raised rural incomes. As a company, ITC has gained from efficient sourcing and identity preserved procurement which add value to its packaged foods business. It also created an inclusive model of empowering small and marginal farmers by giving them the power of digital connectivity and access to markets. Source Keller, K. L., & Swaminathan, V. (2020). Strategic brand management: Building, measuring, and managing brand equity

This initiative has two infrastructural aspects. One is Choupal Pradarshan Khet, that is a customized agri-extension service, and farmers get trained over there and Choupal Saagars, so these are integrated rural service hubs. Now, these are sort of departmental stores or let us say stores in several places, there you find so many things, you find apparels, you find agri based products, you find tools, you find fertilizers, you find so many things which are being facilitated for farmers.

So it is a sort of a mall and they have different kinds of sizes of these Choupal Saagars. So, e-Choupal initiative has become a fulfillment channel for a two way flow of goods and services and raised rural incomes. And just to mention that this has strengthened ITC as a brand and that is what we are talking of.

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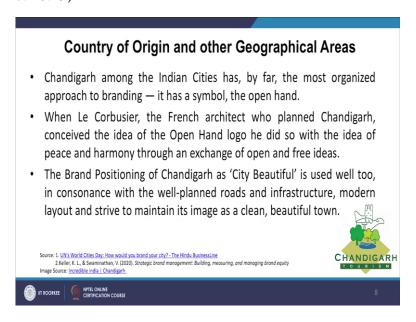
### Country of Origin and other Geographical Areas

- The world is becoming a "cultural bazaar" where consumers can pick
  and choose brands originating in different countries, based on their
  beliefs about the quality of certain types of products from certain
  countries or the image that these brands or products communicate.
- Choosing brands with strong national ties may reflect a deliberate decision to maximize product utility and communicate self-image, based on what consumers believe about products from those countries.
- For e.g., Levi's jeans—United States, Chanel perfume—France, Cadbury—England, BMW—Germany etc.



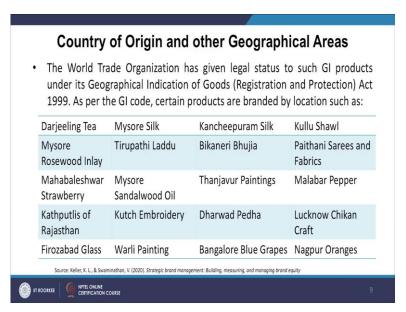
Now, country of origin is a very important element and I have just briefly mentioned about that, so for example, BMW in terms of being a German car, and then Chanel from France, and there are so many designers who are from Italy. And as I said, India now has so many names including Indian tourism and several other products, which India offers, for example, Tata tea, in terms of software in Tata Consultancy Services or Infosys and so on. And we have a huge software bar and Indian software engineers, management experts, doctors originating from Indian schools, they have their name and that is where brand association of Indian institutions along with India is coupling up in terms of different kinds of effects which is generating.

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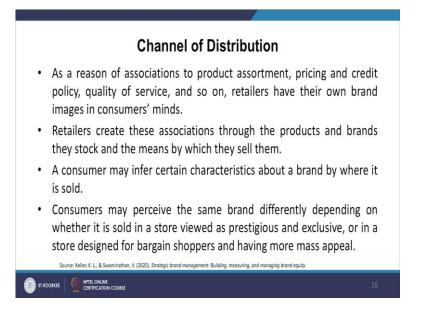
So, that is where this geographical area association comes in. Now, you can talk of Chandigarh as a city which actually projected itself to be a beautiful place and then there are several products which got associated with Chandigarh, especially in terms of people who wanted to construct their houses around that city. And those areas they came up with were wonderful. See so many times a city is known for its beauty, its aesthetics, people want to visit that place, and many times when there are some products manufactured there. So, that thing gets coupled up even if that city is talked about with the perspective of being beautiful only. But Chandigarh has so many things.

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Then there are Mysore sandalwood and then Mahabaleshwar Strawberry, Kathputlis of Rajasthan, Firozabad glass and Bangalore blue grapes, Lucknow chikan craft and then Bikaner's Bhujia and Malabar pepper and so many. You have GI's associated with so many cities now and then geographical indicators are basically one of the most important aspects in today's era.

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Then the channel of distribution; as a reason of associations to product assortment, pricing and credit policy, quality of service and so on, retailers have their own brand images and consumers mind. So, from where you are buying the products, there are several markets in Delhi, for example, People know that they would be purchasing products at a bargain and every city has those kinds of markets. So, if you have a premium product, you might not think in terms of selling your product in those markets, which are known for their bargaining actually or let us say common mass products. So, if you want to sell your premium products, then there has to be a premium location, then a premium retailer and that is where brand association comes into being in terms of retailers.

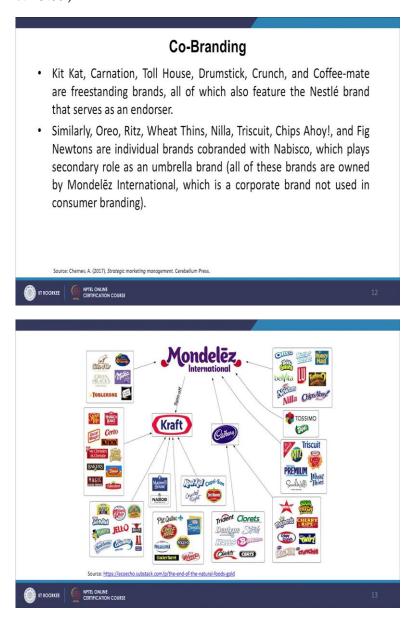
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### Co-Branding Co-Branding Co-branding—also called brand bundling or brand alliances—occurs when two or more existing brands are combined into a joint product or are marketed together in some fashion. There are different ways to co-brand: a new product can become linked to an existing brand an existing brand can also leverage associations by linking itself to other brands from the same or different company. Source: Keller, K. L., & Swaminathan, V. (2020). Strategic brand management: Building, measuring, and managing brand equity

Co-branding, as I was trying to mention, is a very important element and we are talking of other brand associations as of now and then. In the meanwhile, we touched upon places, and then kept track of that picture I showed you earlier. So, co-branding, also called brand bundling or brand alliance, occurs when two or more existing brands are combined into a joint product or market together in some fashion, it is different or let us say related but different than ingredient branding, I will be coming back to it later on.

But there are different ways to co-brand; a new product can become linked to an existing brand. An existing brand can also leverage associations by linking itself to other brands from the same or different company and so on.

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And there can be several such joint names which you can find in terms of, for example, KitKat, Carnation, Toll House, Drumstick, Crunch, and a brand that serves as an endorser. So, that it is an umbrella brand, but then umbrella brand is not projecting itself to be the owner of that particular product, the name of the product is different, but then the umbrella brand or the originator brand is actually projecting itself as a co-brand or marketed by or sold by or manufactured by this way.

So there are several elements to it as far as co-branding and joint ventures we have seen it has been a very common kind of a thing when Hero and Honda were together so it was Hero Honda, and they both actually gained through that, despite the fact now they are doing separate kind of businesses, or should I say they are competitors to each other now but still, they were gainers, and they are gaining still as far as their branding perspective goes.

Even after separation works, when we are talking of two different organizations, it is an important thing which one should remember. Then we have Oreo, Ritz, Wheat Thins, Nilla, Triscuit, Chips Ahoy! and Fig Newton and these are co-branded with Nabisco and Mondelez is the International owner of all these, this is a corporate brand, it is actually the umbrella brand, but never named anywhere and for this picture you can just go to their website.

So, it will not be so easily visible to you, wherein, so many logos and symbols are there under Mondelez. So, that is how co-branding perspective and structure goes.

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### A special case of co-branding strategy is ingredient branding, which creates brand equity for materials, components, or parts that are necessarily contained within other branded products.

 Ingredient brands attempt to create enough awareness and preference for their product that consumers will not buy a host product that does not contain the ingredient.

Co-Branding (Ingredient branding)

- In other words, ingredient brands can become, in effect, a category point-of-parity. Consumers do not necessarily have to know exactly how the ingredient works—just that it adds value.
- For e.g., Intel's Intel Inside cobranding campaign, which managed to build customer loyalty for a product that most buyers never see or touch.

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And now let us go to ingredient branding, Intel inside. So, just a simple perspective around ingredient branding. And there are several people who want to know what the ingredients are and from where they are sourced. So, there are several examples too, as far as what is inside kind of, and that assures the consumer about the end product. So Intel assures the customer and then AMD also assures the customer for that matter.

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## Ingredient branding- Examples • Teflon: nonstick coatings (cookware and kitchen utensils) • Microban: antimicrobial and antibacterial solutions • Corning: Gorilla Glass for smartphones • Mineral RO technology (Waster purifiers) • Dolby noise reduction in stereos • Android OS (Smart phones)

And Android also assures the customer in terms of smartphones, Dolby sound systems. Cinema halls, they still say it's a Dolby cinema sound system. In cinema basically they projected that way, and that is where Dolby sound systems can come in, and then several other examples like Teflon, it has been synonymous with an ingredient or an ingredient brand for nonstick cookware.

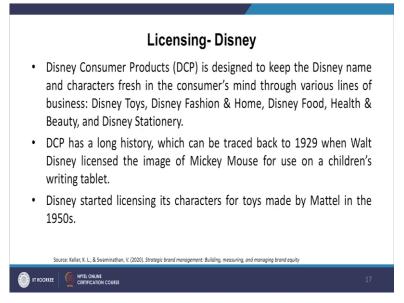
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Then, there is an element of licensing. Licensing creates contractual arrangements whereby firms can use the names, logos, characters and so forth of other brands to market their own brands for some fixed fee. It is kind of a mode of expansion, when you are sure about your brand strength and brand equity, when others are sure of your brand strength and brand

equity. And it further supports in enhancing brand equity by multiplication. Although with licensing you have so many conditions like you must know the standards, the quality, because you want your name to be kept up in terms of the delivery to the consumer cause you just do not want anything to be diluted for which you have been known for. So, that is where the licensing perspective comes in. Licensing the brand for use in certain product categories prevents other firms or potential competitors from legally using the brand name to enter those categories.

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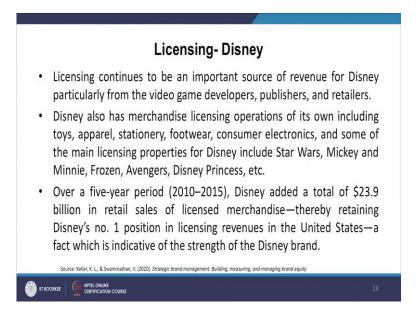


So, as I said, it is an expansion based kind of thing and Disney is one of the major examples in terms of its consumer products. Disney consumer products are designed to keep the Disney name and characters fresh in the consumer's mind through various lines of business. It has been a very intelligent move for Disney entering into consumer products because once you are inviting people to be entertained to Disneyland, on the one side, you have cruisers for them and on the other side, you are producing movies as well. You are integrating the complete entertainment setup into one and you want a whole package, and a whole lot of a world, that is why they call it Disney World. So a whole lot of a world around entertainment. So you cannot refrain from putting up consumer products, but it may not be your main production area or main business you have entered into, but then you want it to multiply with the help of other people who can maintain that name and quality.

So that is where you have licensed for as far as your product goes, Disney Toys, Disney fashion and home, Disney food, health and beauty and so on. And these consumer products

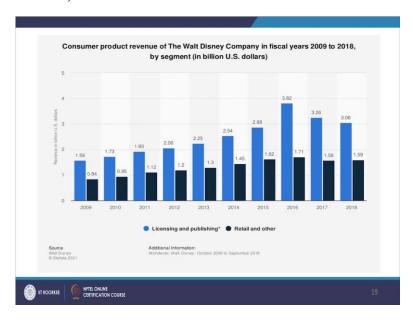
have a long history actually, which can be traced back to 1929 when Walt Disney licensed the image of Mickey Mouse to be used on a children's writing tablet.

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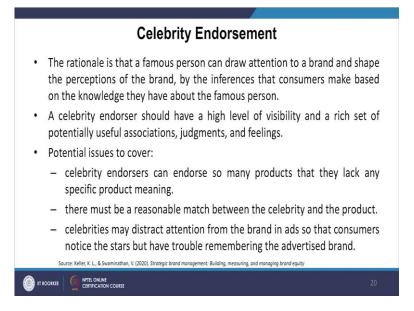
Licensing continues to be an important source of revenue for Disney and over a five year period of 2010 to 2015 the data says that Disney added a total of 23.9 billion retail sales of licensed merchandise, thereby retaining Disney's number one position in licensing revenues in the United States.

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The graph tells you about consumer product revenue of The Walt Disney Company in fiscal year 2009 to 2018 by segment in billion dollars, just visit statista and you will know what we are talking of.

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Celebrity endorsements; the rationale is that a famous person can draw attention to a brand. The famous person is already a famous brand, and wants to enhance upon the fame and the image of the person. Both gel together and both of them grow as a brand. I have talked about Mr. Dhoni, Mr. Bachchan, and so many others, and also about what Virat Kohli. Mr. Kohli is also a great brand ambassador and I have seen several social organizations, or nonprofit organizations, or government organizations also engaging brand ambassadors.

For example, United Nations, they engage brand ambassadors to spread the message about child safety, or in terms of women's security or equality and those kinds of things, under several brand ambassadors, who are known for that kind of a perspective or they have talked about these subjects, they have an acceptable brand image widely known, so they are engaged for these kinds of things and so on.

And Gujarat tourism campaign I will never forget, so just visit that. So, a celebrity endorser should have a high level of visibility and a rich set of potentially useful associations, judgments and feelings. Celebrity endorsers can endorse so many products, that those messages before their endorsement might not be so meaningful, but after endorsement, it strengthens the belief of the customers. We can go on and on in terms of celebrity endorsements, because in India, advertising and marketing communication has grown in past

two decades, it has grown tremendously, and at global level we have seen several, celebrity endorsements, but in India, if you will start counting, I do not think that any celebrity largely would have refrained himself or herself from getting into endorsements with all due regards, there are many who did not go for that, but many sports celebrities and people from films and movies and the entertainment business largely they have been known for these kinds of things and why not, it is mutually beneficial for both. So, that is how things are and most of all, it is beneficial for the customer.

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Now, we are talking about sports, culture and other events. And this is a wonderful kind of a thing because you would realize that Coca Cola is a very important gainer in terms of getting us treated with sporting events around the world. There are several organizations, which have gained strength because of events. And I mentioned sports events and several other events and FIFA, those kinds of events earlier. So, sponsored events can contribute to brand equity by becoming associated with the brand and improving brand awareness, adding new associations or improving the strength, durability and uniqueness of existing associations. Imagine yourself watching a cricket match, things are going well, you are getting entertained, and your favorite player is playing well.

And even if he is not playing well, the endorsement is up for you to be visible, it remains in your mind and that is the objective. So, that is where sporting, culture and other events come in. The main means by which an event can transfer stations is credibility. How credible is the

event, many times how likable the event is and many times how culturally associated that event is with a particular kind of a country or people or community.

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For example, India is known for its association with cricket. Now, I was mentioning Coca Cola. As a longest Standing partner of Olympic Games, Coca Cola company have been a continuous sponsor of the International Olympic Committee longest should I say, and in 2019 it announced that it is extending its relationship another 12 years for a total of historic 104 years, that is a very long time. And that is where Coca Cola has been projecting itself with lots of association in terms of sports and so on.

Then they are associated with the Paralympic Games as well and they have supported several kinds of efforts also.

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And then I mentioned football, their association with football dates back to the beginning of the last century, and they are supporting football from grassroots to the world stage, 100 plus professional football clubs, Federation's and national teams.

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Then, there are third party sources. Marketers can create secondary associations in several different ways by linking the brand to various third party sources. And I should not say that rating agencies or organizations are precisely third parties, because they might be there, they are credible sources, they are rating and ranking somewhere, but they might be there for their business as well.

For example, the National Institutional Ranking Framework is a government ranking system, which is not there for earning, but they are a credible source, and that association means being ranked by NIRF matters a lot for you. And I am happy that IIT Roorkee holds a prominent place in NIRF. So, that is where this association works. Then there are ISO certifications, so many organizations claim that they are ISO certified. Michelin star rating, someone says that Michelin star chef is coming, that is well that association works. Let me take you to this figure which I showed you earlier and just to give you a glimpse of what it means, in terms of brands having secondary associations.

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First, let us see that these secondary associations are sometimes always there, for example, country of origin is always there, it is up to us to capitalize upon the strength of country of origin. So, that is where the brand intelligence or intelligence of a brand manager comes in, that were to infuse the feeling of country of origin to the advantage of brands in the brand value chain. Should it be done at the marketing program investment levels for enhancing the customer mindset or should it be done for strengthening the market performance as such in terms of when you're going global and you want a larger market share for your product.

So, the country of origin is there, but how to use it effectively. Same is the case with other brand associations, let us say ingredient brands. Intel must have felt that people should know what kind of a credible business they are into. But if they will just tell people that Intel is doing this, people would not know what kind of credibility Intel provides to its buyers, its customers for whom you are the consumers basically end customers.

Intel must have thought of this. For example, many times there are some parts of a particular footwear being sourced by different kinds of organizations, many times we do not know about those. But in the case of eyeglasses, Carl Zeiss actually projected itself and today we purchase so many eyeglasses having lenses from Carl Zeiss and that actually has worked for both the organization that is fitting Carl Zeiss glasses and Carl Zeiss itself and in totality.

So, endorses, we have talked about how you would generate credibility in terms of your message, in terms of the product. It would be easier, if you bring a credible brand ambassador and the brand would grow. Brand ambassador would be benefited, though, but brand would be benefited. So, that is how secondary brand associations can be seen for developing brand knowledge and contributing in brand equity.

The ultimate objective is strengthening and enhancing brand equity. I will be coming back to you with lots of insights on brand audit, brand research that is now we have to understand. How all this is understood by the brand managers, what do they do? How do they decide what kind of marketing programs they have to infuse, what kind of a secondary associations they have to project, how should they go about? What do they do? I will be coming back to you in the next session on brand audit and brand research. Till then, goodbye.