

Brand Management
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Week - 01
Lecture - 03

Welcome to another lecture on Brand Management. As you would remember, we dealt with in the last class what is a brand, how the process of branding started with branding of animals and then we saw how habit formation is a very important part of branding process. We also saw that if we get habituated with one brand, we keep buying that brand again and again so that we experience consistency, we experience certainty and also correspondingly the company that owns the brand also experiences predictability of revenues which allows them to plan for future and this is how brands grow, this is how companies develop and this is how markets mature. So, this is what we saw in the last class. Today we will see what really is the difference between product and brand. You can see in the slide what is written is product versus brand.

Why I have used the term versus is because one is against the other. That is how we are going to see it today how brand is a contrarian idea to product and product to brand. It will be a good activity for you to keep in mind the difference between product and a brand while you go through this lecture. So product versus brand is what we are going to see and the easiest example that we see on the screen is something that we are all familiar with when we were children.

We used to have something called goalie soda. Now I remember my own childhood days when I would come out of my school, I would go to the nearby shop and I will ask him to make this goalie soda. Now what is this goalie soda? You would remember that there used to be a black color ball, small ball inside that bottle and he will make a sound and thump it on the bottle and it will go down, create a fizz, make some noise and that used to be very exciting for me and I will go back to him again and again to buy that goalie soda. Now in my life I have worked and lived in many cities and in most cities we have this goalie soda available in roadside stalls. Now while we may call it goalie soda but is it a brand or is it a product? Very easily we can say that even though we are calling it goalie soda, it is actually a product because it does not have any particular name assigned to it.

Goalie soda in Chennai, goalie soda in Bangalore, goalie soda in Delhi or goalie soda in Jamshedpur are all one and the same. They make the same noise, they all have that black color ball, they all have fizz and everywhere the person serving it to you gives a thump on the bottle and then you experience that sound and then you experience that taste. So

goalie soda is actually a product because you can see below product the various things written below the word. So it has standard features. So like I have explained the standard features are the black color ball, the sound, the fizz and the taste.

It is standard. Taste may not be so standard but the rest is standard. It is also replaceable. So as I said that the goalie soda in Chennai and goalie soda in Jamshedpur was more or less the same. So it was replaceable.

Everywhere it was goalie soda, everywhere the process of delivery was the same. Taste was also more or less the same. So it was replaceable whether Mohan is serving it in Chennai or Rakesh is serving it in Jamshedpur it doesn't matter. It is the same. It is also available off the shelf which means you can easily go inside and go to a shop and buy this goalie soda.

You don't have to place an order well in advance to get this. And then it is also relatively concrete. When I say concrete what does it mean? It means you can reduce it to these basic elements. What are these basic elements? Again I repeat that black ball, that sound, that fizz and that taste. These things are relatively concrete and you can actually make out that what is this goalie soda comprise of.

Now look at the other side of the continuum. We see a similar product which is Coca Cola. Now Coca Cola also delivers a value which is something similar. What is that value? It is that fizz. It is perhaps a similar taste and it is also easily available.

So in some sense it is a product but it is more than product. Why it is more than product? Because it has a distinct identity. I gave this example in the last class that when you enter a departmental store and suppose you want to buy Coca Cola. If you do not find Coca Cola what you find is only Pepsi or Sprite or Thumbs Up, any other but not Coca Cola. What would you do? Would you walk out of the departmental store and go to some other shop where you actually get Coca Cola or you will compromise and buy another drink.

So if you choose to go to another shop and buy Coca Cola and refuse to buy any other brand. It is because you are persuaded, you are interested in buying Coca Cola not exactly what is inside it. It could be about that also but it is also about the brand or the identity that Coca Cola provides to you. When you feel that my identity is associated with the identity of Coca Cola. So what really is the value Coca Cola is bringing or the brand is bringing to you as you consume that particular product or that particular brand.

So therefore as I said that it is not easily replaceable. If you like Coca Cola you would

not like to buy any other brand. So it perhaps is related not only to your taste and preference but it is also related to your in some ways identity. Identity cannot be replaced. I am Abhishek Kumar, I will remain Abhishek Kumar and perhaps I value being Abhishek Kumar.

So therefore I am not easily replaceable. At least I would not like to believe that I am easily replaceable. So brands play upon this aspect of human life where we value our identity and that identity contributes or that identity gets emphasized or strengthened by consumption of certain brands or usage of certain brands demonstratively. So when people see me buying Coca Cola or when people see me using say Van Heusen t-shirts or when people see me driving a Jeep SUV my identity gets emphasized because they feel or I feel that I am communicating a certain identity to the world by consuming these brands. So what I am trying to say here is brand is communicating a certain identity.

Brand is therefore not just a product. It is product plus a certain idea. Coca Cola has a certain idea. What is that idea? That idea could be Americanism, that idea could be history, that idea could be classicism or taste, that idea could be the color red. So it could be any of these but it is not and it is not limited to the taste of the fizzy drink which is inside this bottle called Coca Cola or inside this tin of Coca Cola.

So therefore as we can see that the idea of brand is little abstract. It is at the idea level. It is not at the concrete level. It is not something like a standardized feature which we have just seen in Goli soda. So the value that Coca Cola brings to us is at an abstract level.

It is an abstraction. It has to be understood. It is not a simple consumption exercise. It is an idea that attacks your identity. Now here I would like all of you to revisit the definition of marketing itself. If you recall Philip Kotler defined marketing as creation, communication and delivery of value.

Now creation of value, communication of value and delivery of value is marketing. Now what is this creation of value? It is something similar to creation of a product. the concrete product, the physical product, the idea of distribution is closely linked to the idea of delivery of value. Now we were discussing this creation, communication and delivery of value in the context of a product. Suppose we transpose this whole creation, communication and delivery of value to the idea of brand, what happens? Now let me give an example.

Creation of value. Now let me explain it through a media house and this media house is an eastern India based Calcutta based media house called ABP Limited. All of us are

familiar with ABP news channel and there are many ABP related publishing products like the Telegraph newspaper, Anandwajar, Patrika, Bangla newspaper, there are several magazines. There earlier used to be Business World magazine, Sunday magazine, Sports World magazine. So these are all the products that ABP has. It also has a good number of Bengali magazines.

Now if you know about ABP as a house, it is more than 100 year old media house and it is one of the largest media houses in India and it is also considered to be the vanguard of Bengali culture. So all the greatest authors and actors and actresses of culture, of theatre, poetry, all the great personalities associated with the Bangla language have been associated in some way or the other with ABP house. Now a few years back Star group came into Calcutta, came into Bengal and launched a general entertainment channel called Star Jalsa. Now what happened? Star Jalsa became instantly very popular. Everybody in West Bengal, everybody who knew Bengali language, they started watching serials in Star Jalsa.

Now ABP which was considered to be the numero uno media house of eastern India of people who can speak Bangla, they felt aghast, they felt very surprised and they were taken aback that an outsider media house which is an outsider which perhaps does not have the understanding of the sensibilities of this culture was able to create a general entertainment channel which could offer value to the Bangla speaking audience. So what they did? ABP also created a TV channel which was a general entertainment TV channel and they called it Shananda TV. Shananda is one of the magazines owned by ABP and for those who are not familiar with Shananda word, it will be easy to explain as if Shananda is an English, is a Bangla version of Femina magazine. So you can understand what it is. So the TV that they created, they called it Shananda TV.

Now that TV brand Shananda TV was launched. It was launched with great fanfare. Very soon people realized that Shananda TV is not doing very well. The programs that they were airing is not really catching the pulse of the audience and therefore it was failing. Now you can imagine that media house which has such a long and deep history of Bangla language, such an understanding, subtle understanding of Bangla culture yet they were not able to create a brand which will catch the pulse of the Bangla speaking audience.

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Alright! So all the greatest authors and actors and actresses of culture, of theatre, poetry, all the great personalities associated with the Bangla language have been associated in some way or the other with ABP house. Now a few years back Star group came into Calcutta, came into Bengal and launched a general entertainment channel called Star Jalsa. Alright! Star Jalsa Now what happened? Star Jalsa became instantly very popular. Everybody in West Bengal, everybody who knew Bengali language, they started watching serials in Star Jalsa. Now ABP which was considered to be the numero uno media house of eastern India of people who can speak Bangla, they felt aghast, they felt very surprised and they were taken aback that an outsider media house which is an outsider which perhaps does not have the understanding of the sensibilities of this culture was able to create a general entertainment channel which could offer value to the Bangla speaking audience.

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Even though Shananda TV had the backing of ABP, had the backing of managerial

capabilities of a large media house, even then they were not able to deliver value which arguably they should have been the first to do. So what I am trying to say here is that creation, communication and delivery of value at the level of identity is not easy just because you have a vintage, just because you have an understanding does not mean that you will be able to actually deliver that value at the level of identity. Similarly like I have said Coca-Cola, what is the value that they are delivering, creating, communicating and delivering? So when I am seen in the marketplace holding a Coca-Cola can, what am I communicating? What value Coca-Cola brand is adding to me as a person, as a consumer? So the value that Coca-Cola is creating is that association with American consumerism. So when I hold a Coca-Cola can in my hand, I can be understood as someone who is influenced by American culture and Coca-Cola by its color, by its logo, by its history, by its pricing, It tells the world that if a person is seen to be communicating Coca-Cola, he is perhaps closer to American culture than British culture or Indian culture. If I am say holding a can of thumbs up, now thumbs up is also owned by Coca-Cola company.

However when I am holding thumbs up, I am not holding Coca-Cola, I am not holding Limca, I am not holding Sprite, I am holding thumbs up. What does it mean? It means that even though it comes from Coca-Cola brand, Coca-Cola company, I perhaps value my identity of being an Indian. So even though I am consuming a Coca-Cola brand, a Coca brand of a Coca-Cola company, I am preferring thumbs up, which is actually an Indian brand. So the value addition that a brand makes to a consumer is at the abstract level, it is not at the concrete level. This is a point that we must understand when we are trying to distinguish product and brand.

Let us move further. Product and brand we have seen now as two distinct identity, two entities located at two different ends of a continuum. Now in this slide, what we can see is that they are not really very different from one another. There is a trend where products are becoming more like services. And services are becoming more like products.

Here you can see two examples in the slide. The first example at the top is Infosys Finical. Now you may not be aware of Finical as a brand, but you might be aware of Infosys as a very large company. Now let us imagine that you are walking inside a bank branch. What do you do when you walk inside a branch? You will do some ordinary banking transaction. For example, you may like to withdraw some cash which you cannot do at ATM because ATM has certain limits or you want to do any FTRTGS, you want to do some fund transfer or you want to change your address or phone number or your mail ID or you may want to open a new fixed deposit, you may want to open a new bank account and so on so forth.

Now when you enter into a bank, the person behind the counter actually does something on the computer. What does he do? He looks at some software. Alright! In that software, he will enter all your details and he will capture what you really want to do today. Alright! And that software is available across the country at all branches of any bank that is using Finical as the software.

Now it is of course layered access. So for example, if you want to withdraw cash, you go to the teller counter and the teller says okay, you give the cheque and once the cheque is received, cheque will be verified by at least two people in the branch. What will those two people do? First person will check whether you have adequate amount, you should have an amount which is more than the amount that you are withdrawing in your account. So he will check that. He will also check whether the signature that you have done in the cheque is matching the signature in the records of the bank. So all of this is made available to that teller counter, teller person who is doing all this checking.

After this checking, he will send this cheque instrument, cheque is also called an instrument. So this instrument will be sent to his boss, his manager who might be a branch manager, who might be a branch operations manager. She or he will look at that Cheque and look at the entries made in the slip by the teller counter, by the teller person and he or she will authorize that yes, you can go ahead and make this payment and then after the signature, the check will come back to the teller and that teller will make the payment. Now all of this would be captured in the software called Finical and this record will be available for posterity which means anytime if you wish to go and check that on this day at this time this withdrawal was made by this person, it can be checked by anyone anywhere in the bank that is using Finical. So what I am trying to say is that a product which is a software, we do not know the name of the product, we just know that it has these features.

It has where it can show you the signature, it can show you the amount, it can show the name, it can show the address, it can show father's name, it can show all these things. But when the name of Infosys is added to that product, it becomes the Finical becomes Infosys Finical. So today if you go to banks in India, a large number of banks are actually using this brand of software called Infosys Finical because there are several similar software. For example, there is a software called FlexCube, Alright! That is also offered by one such company. However, Infincial is the most popular software used by banks because it is owned by Infosys.

So what Infosys has done, Infosys has lent its credibility. Infosys has lent the power of its processes behind Finical to this product called Finical and has converted it into a brand, converted it into a consistency of services offered to bank employees and

ultimately to consumers of the customers of the bank. So this way what has happening, a product software which was a product is becoming like a service and it is adding the credibility of the brand Infosys and it delivers a promise, delivers value to Infosys first, sorry to bank first, which is the client of Infosys and ultimately to you and me as consumer who has a bank account. So this way servitization of product is happening and product is becoming more like a service. Something similar is happening in the opposite direction also.

Now here I have given the example of Taj. Now all of us are familiar with Taj hotels. Taj hotel is a five star hotel and it is known for its very good service. Now when we enter a Taj hotel, we know we are assured of very good quality service. The rooms will be big, the service will be good and so on so forth. But Taj not rely, not only Taj, any five star brand but Taj since we are discussing Taj hotels, Taj what have they done? They have explained the brand, alright or they have expressed the abstract idea called Taj hotel into very concrete deliverable features.

For example, once I was in a Taj hotel and I remember when I entered, I was given a pad, something like an iPad and in that pad, they said that everything can be controlled by that pad. So, you press a button, the curtains go up or come down. You press another button, you can dim lights. You press another button, the beds can be adjusted. So almost all activities inside the Taj hotel room could be controlled by that pad.

Similarly, what they also do? If you remember Taj brand, Taj stands for old value charm, alright. So old world charm and old world charm means what? The furniture, the chair, the table, the bed, the flooring etc will be of such quality that they will remind you of the days gone by, the past, the glorious past of various country or big old culture. So old world charm is how they define Taj brand. So when you enter any five star hotel of Taj, you will experience that old world charm. What I am trying to say is the nebulous, the abstract idea called Taj has been reduced to product features, alright.

And those product features are say lighting, say old world charm, the kind of furniture, the kind of service, the kind of restaurants and when you enter Taj hotel, people will be dressed in a certain way. You will be greeted in a certain way. So what I am trying to say is the brand is reduced to some standard features so that you know what you would experience when you enter Taj hotel. So what I am trying to say is that there is a trend in the marketplace that products are getting servitized by adding the name of the company and converting product into a brand and brands are getting more like products so that people know what they are actually getting into. So every product is in some sense also a brand and every brand in some sense is also a product.

So this we need to understand. In this continuum, some brands will be more towards the product and some brands will be more towards the brand. This is what we have to understand. Let us move forward if you see the definition of the product. Now this definition was given by none other than Philip Kotler. Thank you very much. Thank you.