

Brand Management
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Next point adaptability, what does it mean? The more adaptable and flexible the brand element, the easier it is to update it to changes in consumer values and opinions. Now here what really are they trying to say? They are saying that can you change your brand element? If the society has changed, if people have changed, if industry has changed and you are persisting with the same brand element, then it is not a very wise option. So you should be able to update, modify your brand elements so that it remains relevant and it remains in the minds of consumers and it resonates with the new value system that is getting created in society. Now let me remind you that at one point of time Tata Steel had the punch line, we also make steel. Now we have had a long discussion on Tata brand. So we know that Tata is very good at employee welfare.

They have created a beautiful city called Jamshedpur and in that city you have schools, you have hospitals, you have parks and gardens, you have very well laid out roads, you have trees on either side of the road and so on so forth. So all of us know that Tata has created such a city and it has always been good about employee relations or employee welfare. So that is why when early on in 1980s and 90s when they said the tagline is we also make steel, it resonated with the society at that point of time. They said that ok we do everything and then we also make steel which means business was not so, it at least it did not come first.

First was doing everything else and then as an afterthought they said that we also make steel. But then the times changed, business became very competitive, industry became, there were many industrial challenges in the steel industry, many new players came up like JSW came, then like SPAT came, many other industry, many other companies came into steel manufacturing and suddenly Tata realized that they cannot persist with this tagline where they said that we also make steel which meant that making steel is secondary doing other things is primary. So they changed it and they brought in a new tagline called where you come first and you was underlined, you underlined and you means the customer. So see how they have changed the tagline, the brand element of Tata Steel where in initially the employees came first, the welfare came first, the society came first, the country came first and now they have quickly changed to adapt themselves to new economic reality, market reality where they are emphasizing that you the customer comes first and then anything else. So, this is what you have to do, you have to be able to adapt to new market realities through and you should be able to

communicate this by changing, by modifying your brand element.

I will give one more example and that is also from Tata Group, another company called Tata Motors. Now if you remember, Tata Motors was earlier called Telco. The full name of Telco was Tata Engineering and Locomotive Company Limited. That was the full name of this company Telco. Now of course along with Telco there was a logo where Telco was written and so on so forth.

Now gradually they thought that they are not into this locomotive business. And they are thinking of getting into engineering business and probably exiting the loco locomotive means railway engines. So they will probably stick to engineering and let go of locomotives. And of course they had this truck business, they used to manufacture trucks and buses, the chassis of trucks and buses and that is how so and they also had an association with Mercedes Benz. So Mercedes and Tata together will produce new technology trucks and buses.

So what did they do? They changed the name of the company itself from Telco, they made it Tata Engineering. So many of you may not remember name of the company changed from Telco to Tata Engineering. Now after some time that name remained for a while and then if you remember Ratan Tata said that Tata Motors must get into the category of passenger cars. And everybody was laughing and they made a joke about it that a company which is making huge buses and trucks will they really be able to make a car which is a passenger car and because passenger car cannot be rough like a truck or a bus, passenger car is expected to be smooth and sophisticated. So but Ratan Tata was very particular he said that the future of this company is into passenger cars.

I am talking of about 20 years back or even earlier when all these developments were happening. Today we think Tata Motors is a natural car maker because it has so many models which are very successful. But at that time it was not so Tata Engineering or Telco was known as a company that manufactures trucks and buses, company that manufactures construction equipments and not really cars. But Ratan Tata was very particular that if this company has to survive, if this company has to grow, it has to move into passenger car segment. And then he announced that we will launch a car in so many years time and then Tata launched the car called Indica.

Now Indica was a phenomenal success at that time and that is when Ratan Tata decided that the name of the company will change from Tata Engineering to Tata Motors. So see how brand element has been of course this is also the name of the company, but how brand element has been adapted to new market realities and Tata Engineering became Tata Motors. There are many such example in the marketplace that you will encounter if

you look at it a little deeply. Maybe one more example I can give you is that of Airtel. Now today all of us know Airtel is a big brand, all of us also know that or perhaps we know that Airtel belongs to a company called Bharti and Bharti Enterprises.

Now when Airtel was not so big and Airtel was limited to only 2-3 states in the country at that time there were several brands in Bharti fold. There was a brand called Touchtel which offered landline connection, there was a brand called Telesonic that used to offer intercontinental connection through undersea cables and that also used to offer optical fiber network in the country. Then there is a brand called Betelfones which I think it still exists and then we had Airtel of course. As time progressed and as Airtel brand became bigger and bigger they decided that all other brands need not exist and only one brand can exist which is Airtel. So the brands like Betelfones, brands like Touchtel, brands like India One, brands like Touchtel, Telesonic all those brands were removed and only one brand remained which is Airtel.

And of course the Airtel name itself the logo itself kept changing as per the requirement of the marketplace. So this way the logos, the characters, the tagline all of them kept changing. One more point and then we will move ahead. If you remember the first tagline of Airtel was Touch Tomorrow that is how we remember Airtel as in the early days perhaps in the late 1990s Airtel was called Touch Tomorrow. Then next after a few years the next tagline that was decided for Airtel was Live the Moment, so from Touch Tomorrow it became Live the Moment.

And then after another few years the next tagline that happened for Airtel was Express Yourself. So what I am trying to say is that see how Airtel has been changing its tagline depending on what is the requirement at the marketplace. So sometime you feel that now consumers have become bored of the tagline maybe they want something new and fresh. So that is also one reason why they change the tagline and they do it in an aggressive manner. Sometimes they do it in a defensive manner.

But what I am trying to say is that if brand elements can be adaptable you are assuring a long term continued survival and success of your brand. Let us move forward. Protectability. Now what does this mean? It means that when you choose a brand element or a set of brand elements you must do it consciously because there are a large number of bodies across the world they are watching you. And now because of the internet and easily retrievable surfable possibilities anybody can see what you are doing with your brand element, which color you are using, what kind of logo, which shape, what words, how you are using it all of it is very easily accessible.

Now if you see today the logo of Airtel and logo of Vodafone. In some sense both are

more or less similar. So Airtel is to win the market share or to become a winner or a leader because Vodafone is a market leader across the world. So for Airtel Vodafone is a leader in the world market and Airtel would like to reach that. In India of course Airtel is bigger but elsewhere Vodafone is much bigger.

So Airtel wants to emulate what Vodafone is doing and to in order to emulate what it has done it has made its logo very close to or similar to that of Vodafone. So what I am trying to say is that when you are creating these brand elements of color, shape, name etc. etc. you must think about these parts that they should be legally protected internationally because there are so many companies across the world and they are all trying to create logos etc. So moment you create brand elements, moment you finalize your brand elements whether it is color, shape, tagline and so on so forth immediately you must register them with appropriate legal bodies.

So you may you can register them as a trademark, you can register as a copyright whatever there are many options if you go to a legal consultant they will tell you these are the possibilities that exist but in moment you have brand elements finalized you must try and register them so that nobody else can use your brand elements for their own benefit. And then finally you must defend those trademarks because there might be an attack on it somebody will use your logo and present themselves as you. So for example and this happens all the time in FMCG brands specially in rural markets what they do is suppose you have Parle G biscuit. Now Parle G comes from the house of Parle and that is how it is written there is a logo. Now what local brand may do is they will create something similar and instead of saying Parle G they may say Parla G.

So instead of E it may become A or something like that the color that you are using in Parle G they may change the color red may become orange and so on so forth. So look wise it will seem similar but actually it is different. So what happens is that you sacrifice your sales because the consumers do not realize the difference and they buy something else and not the original thing and what happens is they think they are buying Parle G and if there is some problems A someone falls ill or the quality of the product is not good they feel that your brand or your product is not good. So that is why moment you see there is some infringement someone is using your logo your trademark in a wrong way you must vigorously defend your own trademark and make them know that what they are doing is wrong and if needed you can fight the case in the courts. So this is what we have seen today that customer based brand equity and how these 6 methods we can employ to either take an aggressive position or take a defensive position but no matter what position we take this is how we build customer based brand equity.

So this is the last slide on this point and that is what are the sources of this customer

based brand equity and these sources are strength, favorability and uniqueness. This is something not very difficult to understand when we say strength where does the strength come from? The strength comes from the likability of people the preference of people towards your brand. So because people keep liking keep buying and keep buying again and again your brand becomes strong. So that is the source of brand equity.

Favorability what is favorability? Again the same thing that customers favor you people who want to buy a certain brand in that product category they favor your brand over some other brand.

So that is also a source of brand equity and finally because your brand is unique because it is different is distinctive that also lends strength or that also builds your brand equity. And then if you have a high customer based brand equity what happens? This is not very difficult to guess. You enjoy greater loyalty among your consumers. So consumers display brand loyalty towards your brand if you have a high customer based brand equity you are less vulnerable to competitive marketing action. So even if a competitor tries to reduce its price and say why are you going to buy their product their product is expensive I am giving the same thing at a lower price.

But because people have a preference for it because your brand has a high customer based brand equity so people will not migrate from your brand to some other brand because they enjoy psychological ownership of your brand. So even if a competitor does something your customers will not move and they will not be vulnerable. Suddenly you will be less vulnerable to marketing crisis. So suddenly some negative fallout may happen or some scandal may take place but if you have a high customer based brand equity they will stand by you and they will protect you. So they will not believe if there is some scandal that happened.

Of course it will get you larger margins because people will be willing to pay a little more because they are invested in your brand. Similarly more inelastic consumer response to price increases so if you increase your price still consumer will continue to buy and so on and greater trade cooperation and support. So because those who are part of your trade which means those who are a part of your dealer network or distributor or retailer they all know about you they know that customers value your brand so they will extend more cooperation and support to you. Any marketing communication you do any campaign you launch or any new advertisement you release people will look at it and they will appreciate or they will say no it is not good please change it. So what I am trying to say is that possible licensing so you can do brand extension also you may create franchisees and so on.

So what I am trying to say is that marketing based brand equity creates that

psychological ownership in the minds of the consumer and that protects you from any negative fallout and it helps you in growing faster and bigger and bigger. Thank you very much I hope you enjoyed this session. Thank you very much.