

Brand Management
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What is brand equity? It is the value of the brand and value in whose mind? Value in what terms? Brand equity is of two types. One is consumer based brand equity or brand equity in the marketing sense and another brand equity is in the monetary sense. So marketing sense brand equity is what I have told you. One of the metrics to measure marketing brand equity is top of the mind recall. So suppose I give you a product category and say that in the category of camera which brand comes to your mind first and if large number of people say Nikon, so then Nikon has the highest brand equity among the product category of camera. So that is marketing brand equity.

Similarly financial brand equity means what is the value of say brand Coca-Cola? Is it 1 billion? Is it 100 billion? So if you can express it in the form of numbers that is called financial brand equity. So if you see this slide brand management continuum, all that we have spoken about comes under brand management activity and if you are a brand manager, you will have to do all these activities simultaneously. Let us move further and look at another way of expressing the same brand management continuum. Now if you see the previous slide, it is linear.

It is moving from left to right. It is unidirectional. Alright! But here the proposition is that it is nonlinear. It can be circular and which means circular means there is no beginning and there is no end. Which means that when you join any brand management team or a marketing team, what you would do is you would join at any stage of the activity happening in the brand management continuum and from there you will pick up and you will continue your work.

So you can join when a brand suppose you join the brand management team of Coca-Cola, it is already an iconic brand. So what will you do? So you may do consumer insights, but what you may also do is you may develop new products all right and then achieve positioning of that new product create communication and so on so forth. So nonlinear brand management continuum is a more realistic representation of reality in terms of what is happening in companies related to brand management activity. All right, let us move further. Now why do we do brand management? That is the question that we must ask and some answer you may have received in our first class.

You can see this slide. Now why do we do brand management? Do we do it for brand

managers because we need brand managers in companies and brand managers are considered to be very stylish fashionable people. If you join an organization and if you ask for the marketing team or you ask for a brand manager, everybody will know where does the brand manager sit or who that person is. And that is because generally they are considered to be creative geniuses in an organization and often you will see them presenting themselves in that manner which means that they would dress in a certain way, they will have a certain hairdo which is stylish which is standing apart and so on so forth. So just the way they want their brand to stand out, they themselves also stand out in an organization.

So are we doing brand management just to have brand managers in the organization? We must think about it. Another reason is markets. So this is something that we have discussed in the past. Markets need brands because otherwise market becomes a very boring place because all products are very homogeneous, they are lookalike and it is not exciting. I mean if you go to buy a shirt and say all shirts are the same with no name, then it is very boring and what really would you buy and on what basis will you buy one over the other.

So markets require color and excitement and that is why brands bring color to the marketplace and excitement to the marketplace. So for markets we need brands. Of course we need for employees because employees take pride in working for a certain brand. So for example when someone works for say Citibank or say Coca-Cola or say Tata, they take great pride in the fact that they are working for these brands and they say that I am an Infosian or I am a Tata employee and so on so forth. So because employees have become very important and because service industry has become very important because quality has become very important and all of this can be delivered only through employees.

So employees have become very important and therefore talent has become very important. Every company wants to attract very good quality talent and for that they need to establish themselves as a good employer brand. So only brand is not enough, you need to have a good employer brand as well. So that employer branding activity has also become very important and therefore employee brand management should be done also keeping in mind the needs of the employees. Individual consumers, yes we do brand management for individual consumers because brands satisfy a certain need of the individual consumer whether that need is identity, whether that need is psychological satisfaction, whatever it is but that individual consumer is very important and for him or her individual consumer ultimately is the chief person, chief entity for whom this whole brand management activity is done.

And finally CEO and society. CEO because CEOs want to perform well, they want to show increasing revenues, they don't want to show fluctuating revenue and CEOs want to ensure long term sustenance of organization. So that is why CEOs also like to develop strong brands and brand management activity is done so that CEOs are able to perform well and deliver, perform and deliver value. Finally in society if you look at the brands in the marketplace and you look at the society that you live in, you will see that the same structure of society gets replicated among the brands in the marketplace. So in the society we have bottom of the pyramid, we have middle class, lower middle class, upper middle class, you have rich, you have luxury classes and so ultra rich classes.

So you will see that in each product category you will have brands corresponding to income category in society. So the social structure of a country or of a society gets replicated in terms of brands that are available in the marketplace. So you will see there is a great correspondence between what is happening in society and what is happening in the marketplace when it comes to availability of brands. Let us move further. What really are the challenges before a brand manager when he tries to build strong brands? Now cluttered mind.

What is a cluttered mind? Suppose you are trying to create a new brand. Now new brand means what? New brand means take a product category and in that product category you are creating a new product or a new brand. Now if I think of say telecom operators in India, suppose I take a new telephone mobile phone connection. In that mobile phone connection I have a choice. I can take Jio, I can take Airtel, I can take Idea, I can take BSNL and so on.

So there are four or five choices that are available to me. Moment I think of telecom mobile service operators, I will think of these four or five brands. Now suppose you have to create one more. It is enormously difficult because all of them are available in my mind and is there any space for one more brand in that product category? Even if there is space how do you differentiate between these? I will give you another example.

Five star hotels. Now we were discussing in the previous lecture about Taj hotels. Now when we think of five star hotel of course Taj hotel comes to our mind. But is Taj hotel the only brand? It is not the only brand. So what Taj hotel did? They positioned themselves as the leisure hotel. They positioned themselves as the leisure hotel.

So anyone who wants to use five star hotel services and who wants to enjoy leisure they can come to Taj hotel. So the positioning of Taj hotel is leisure. So leisure travel is Taj hotel. Now if Taj hotel is leisure and then Oberoi comes in, Oberoi hotel is another chain of five star hotels. Now how do they position themselves? Because leisure positioning

is already taken and you have to break the clutter.

So what they do? They take a positioning of business travel. Alright! So they distinguish between leisure and business. Now it is reflected in the way the service is delivered. So if you see leisure, if you experience Taj hotel you will see that they will make you believe that you are having a good time. They will sing and dance, they will show you, they will give you gifts, they will use very loud colors and so on.

They will give you mementos, memorabilia. So you will know that you are having a good time. If you are in Taj hotel you are enjoying your leisure. Whereas if you go to Oberoi hotel because it is business travel what they do is they perform their services as if they are invisible. So you will not see anybody doing anything for you but automatically everything will be done.

So what I am trying to say is that this is how Oberoi hotel distinguished its positioning from Taj hotel so that it can offer in the same product category a different kind of service and break the clutter. Now when ITC hotel came in, ITC hotel also came, ITC has 5 star hotels all across the country how will they distinguish because leisure is taken then business travel is taken. So what ITC did ITC took the positioning of food. So if you know ITC 5 star hotels will have a large number of restaurants and some restaurants are very popular restaurant. For example Bukhara all ITC 5 star hotels will have a restaurant called Bukhara and sometimes that Bukhara is more popular than the ITC itself.

So you can see in the 5 star category alone you have 3 positioning one is leisure, one is business travel and third is food. Finally maybe one more example and that is Leela. Now all of us know Leela is also one 5 star hotel and what do they do? What value, what positioning they have taken? They have taken the positioning of palace royalty. So if you live in Leela hotels you will be treated like royalty. So you can see the examples and you will understand that how a cluttered mind in your mind you have several brands and how each one of them are occupying a unique position so that people looking for that service will go directly to that brand.

So what I am trying to say is that a brand manager faces this challenge and this challenge is that in a consumer's mind there are already many brands in the same product category and if you have to break that clutter you will have to be creative you will have to do something very different. So cluttered mind next is that crowded market. A crowded market naturally cluttered mind and it is corresponding to what is happening in the marketplace so crowded market. It is nothing but a reflection of cluttered mind in the marketplace. So crowded market and then organizational constraints.

In the previous class I have given the example of ABP TV and how ABP group launched Shananda TV and how Shananda TV was not really very successful it was not able to compete against a TV launched by Star TV which is not really an Indian group Star Jalsa. So that is because the organizational constraints were too high. They were not able to create a product despite the good quality of brand manager despite the whole media being available to them despite all that they were not able to create a product or create a brand that satisfied people's need the way they wanted to. There are many other organizational constraints like money because creating a brand requires a lot of money. Lot of money means what you have to communicate about your brand and where will you communicate you will communicate through mass media.

So you will communicate through television, through newspaper, through digital marketing efforts, through sales promotion channels, leaflets, hoardings, events and so on. So all this requires a lot of money and it is very very expensive and a large number of organizations do not have that kind of money or they do not want to invest that kind of money and that is why they are not able to create very strong brands. So you will see that most of the brands that we see in the marketplace are old brands and the new brands are actually technology brands which have deep pockets and also now the trend of angel investors and cash burning etc has begun. So through burning of cash people are able to create brands and hoping that sometime in future they would be able to leverage it and make money. So these are also organizational constraints.

These constraints are changing given the nature of stock markets, given the nature of funding available, given the nature of investing options that are available to companies etc but constraints remain very real and one of the greatest constraint is availability of quality brand managers. Finally, here and now. Here and now means when you are managing a brand, your brand engages with consumers and they engage with the consumer at a point called touch points. So the point where consumer comes in contact with your brand. It could be a shelf in a department store, it could be when he reaches out and touches your product, it could be when he sees your advertisement, it could be when he is actually consuming your product.

So in that moment when the consumer is actually coming in contact with your product, with your brand, you should be able to manage that point, manage that engagement, manage that interaction, whether it is visual, verbal, sensory, emotional, regardless of the nature of touch point. But if as a brand manager, you are able to win the consumer in that moment, in that here and now, that consumer will become yours for a long, long period. So as a brand manager, you must focus on winning that moment, winning that in marketing, it is also called moment of truth. So if you can win that moment of truth in your favor, in the favor of your brand, so in that moment when he is interacting with your

brand, he is able to or he is persuaded to choose your brand over some other brand, he buys your brand and not some other brand, you have won as a brand manager. So as a brand manager, this is another great challenge that you have to manage that moment, that moment of truth, that touch point where your consumer comes in contact with your brand.

So I stop here, I would like to summarize what we have done today. We have seen and maybe we can go back to the slide, it is an important slide. So we have seen today that every brand manager manages this brand management continuum. This continuum begins with product, creation of the product, conceptualization of the product and then go through all the intermediate stages of positioning, then communicating that positioning and communicating it again and again repeatedly through various mediums, channels, etc. So that large body of messages get created in the marketplace because of which brands develop a brand personality and a brand identity.

And in the process, brand managers must keep in mind that they do not lose touch with consumers and therefore they keep conducting surveys, keep meeting consumers and keep developing insights into what really is happening to their brands in the marketplace. And hopefully if they do all of this right, they are able to convert their brand into a brand leader and then develop brand extensions. So this continuum is what we studied in the beginning and then we saw that it is not really a linear character, it is actually a circular or a non-linear character and you can start anywhere and you can continue this endless process of creating strong brands. And then we also saw that why do we do brand management activity. It is not only need of the consumer but it is need of the employees, need of the marketplace, need of the company and most important of all, it is also need of the society.

Because brands, if they reflect the structure of society, the hierarchy that is present in society, social hierarchy that is present in society, if brands at the marketplace also reflect the same hierarchy, what happens is it brings about a stability in the structure of both society and of marketplace and this stability reinforces one another. So stability of structure in economic marketplace ensures that the people remain in their places. For example, suppose a rich person buys a bag of 1 lakh rupee. Now a middle class, junior, lower middle class or even an upper middle class consumer may not think of buying a bag of 1 lakh or 2 lakh rupees. So while there is an aspiration created but it also tells the people that this is your place.

Brands also show people what their place is in the market. So it makes the marketplace, economic marketplace little rigid and it mirrors the social hierarchies of the society. So while it creates aspiration, while it creates an image that you can actually transcend your

station in life, however, it makes it difficult and not only it makes it difficult, it quantifies it also. Because it is quantified, it becomes very real and it becomes very, it gives you an illusion that you can actually do it. For example, you know that if you are buying an auto car which is about 5 lakh rupees and if you have to go to the next level of car, say XUV 300 or XUV 500, from 5 lakh you will have to jump to 10 lakhs.

So you know that the distance between you and the next level in economic economy or in the hierarchy, economic hierarchy is the difference of 5 lakhs. And then how do you bridge that gap of 5 lakhs to jump to the next social hierarchy through your economic means. So what I am trying to say is that the rigidity in the economic structure of brands and rigidity in the brands available in the marketplace and rigidity of hierarchy in society correspond to one another, allowing a little bit of movement more in economic marketplace than in social marketplace. That is why we see that through money people are able to jump social hierarchy. So if someone becomes rich, even though earlier he or she was belong to a lower middle class or an upper middle class, through money he or she is able to buy a higher hierarchy not only in economic marketplace but also in the social structure of society of country.

So it makes it very real. The brands make that place you enjoy in society very real and it also creates that possibility of transcending, of moving above your station. So I think this is the purpose or this is also a purpose that brands serve by making people aspirational and by making people feel that it is possible to scale up the hierarchies in social structure. So this is where I stop in this lecture. In the next lecture we will deal with the brand associations visual, verbal, emotional, sensory and other related aspects in greater detail. Thank you very much.