

# Strategies for Developing Sustainable Indian Brands

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## Introduction

Got to buy a product.... Thousands of queries arise....! Is the product user friendly? Is it worth my money? What must be the quality? Is there any other choice? Which brand is it? .... Yes, today the customer market in India has become highly competitive and experimental. With this change in demand to meet the explosive market and the thirsty customers, every company is in the struggle for creating better promising products, continuous customer satisfactory programs and profit making strategies, i.e. building brands, building *Sustainable Indian Brands*. India is a country of over a billion people with heterogeneity in terms of cultures, languages, geographies, food habits, tradition, socio-cultural behavior... Organizations need to understand this scale and diversity of country. It first needs to understand the gamut of a billion people, rather than catering to the millions. Nobody can successfully do business in India by reading its potential from quantitative market reports. Understanding the psychological, sociological and historical backgrounds is fundamental to approach the bull's eye.

Organizations have to also understand the disparity between urban and rural India. Even within India it is important to localize branding and marketing. In rural areas it is price and value for money that are important and companies also need to consider how to set up credit facilities. In urban India there is more diversity in income and the prestige value of products is more important.

Today Indian business organizations have no choice anymore. Customer in the market will not accept things that don't meet their standards for quality and experience. Branding is a necessity and brands will have to move fast to respond to these customers' demands desires, necessities, and unlimited wants.

Today Indian organizations also have an added advantage, even though geographical difference is substantial, mental coherency from rural to urban is getting closer every day. The recent

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Managers, HINDALCO, Belgaum

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media and advertisement explosion and availability in remote areas, signifies that communities are watching the same television/channels.

*“Trusted brands is all about addition of value to customers expectations , respecting them, listening to them, continuously delighting them and thus earning their trust everyday”*

## **Branding**

Brands, the most versatile and sustainable asset in an organization, creation of wealth and therefore is the most respected intangible asset to the business. The word “brand” by definition refers to a company name, a product name, a logo or trademark or a combination of these that identifies a marketers goods and services and distinguishes it from competitor products.

Branding expertise is very low in India. Manufacturers still think that branding means advertising. Businessmen in India have a notion that business promotion with celebrities as brand ambassadors will make the brand successful. They are yet to diagnose that the rational factor of the brand, which is product attributes , which establishes customers the confidence and motivation for purchase and repurchase and hence customers of products and services .

A strong brand influences the buying decisions of customers and shapes the ownership experience.

Creates trust and an emotional attachment to product or company. Can command a premium price.

“Fences off” your customers from competition and protects market share.

*“It is the customers trust in a brand that has an edge over its competitors”*

For Example-Xerox invented in 1938 and selling now in more than 150 countries Indian customers prefer to have a mystic understanding of foreign brands, Homegrown brands perform well in the market when international competition is not present. When competing with international brands, homegrown brands become price sensitive and lose their value.

*“A trusted brand should be a attuned to the changing needs of its customers and delight them wit their innovations”*

The market has expanded many-fold in the past few years (than) it ever did during the decades before. With this has come an inflow of foreign brands that are competing with the traditional, long-established Indian products. Before there was essentially a monopoly: one brand of soap for the low end, one brand for the high end, for example. People now find it difficult — there’s a choice for everything. People are just starting to realize the importance of branding.

*“Gaining trusted brand status is an indication of long term success. A trusted brand takes a long time to establish itself, but once the trust is gained it does not break easily. It is*

*important and equally difficult to maintain brand image”*

### **Branding in India.**

The Indian economy is booming to greater heights. India in 2005 is a very different country from what it was in the 1990s. Further it is certain that the India by 2015 will again be different from what it is today. This impact is being partially felt today. The most important change in India is the demographic one. By this time, almost all know that we are a nation with very young population. These young customers have been born in times of increasing customers, in an environment where each day, they are offered more choices of product and services on which they can spend money. Also they are better educated and have better access to wider array of information channels. These young customers' mind space is currently a blank canvas and almost every company has a chance to make an impression on this canvas.

In this complex and uncertain business environment, brand preservation becomes more challenging but nevertheless, it is still a manageable challenge. Focussing on these emerging changes in India, we should position the brand in the right area “Be Credible Be Consistent” in its execution Compel to internal and external shareholders—through its relevance

### **Our Strategy for building Sustainable brands**

A *brand strategy* is a statement of the brand's sustainable competitive advantage, usually consisting of a demographic and psychographic description of the intended customers and the benefits they get from the brand. The brand strategy statement is developed within a competitive framework. The concept of using *language the customer understands* is important.

To have the strength to deliver superior perceived quality, a brand has to address many elements of customer perception and demand. Since quality is a customer perception rather than a tangible characteristic, we present the following criteria for successful branding

The winning formula would be one, which would offer products and services of high quality at affordable prices. Branding works well in India if the product is knowledge driven, in the luxury category, or if it's desirable or hedonistic. Branding has to connect to people's lifestyle here.

### **Our winning principle is based on this Innovative 3Ps & D.**

- \* Product performance and quality
- \* Pricing
- \* Promoting brand

\* Distribution

\* The above said principle can be implemented through the following strategies,

### **Strategy-1: Growth Oriented**

*“Growth is life, Stagnation is death” – Swami Vivekananda*

Growth being in positive image develops trust of stake holders and thus creates a brand image. Ethical benchmarks for a company has to be non negotiable and for better growth dynamics the company has to function as a team. Growth to any brand owner should be transparency, fairness and accountability. Human resources have to be regarded as the main focus of growth. By growth we mean the overall development of the organization, in terms of

- \* Enhancing the customer value
- \* Maintain and increasing social value
- \* By fulfilling its corporate social responsibilities
- \* Raising share holder value

To support this strategy we look into Nokia. It came to India in 1995 and has established itself as the market and brand leader in the mobile devices market. The company has built a diverse portfolio to meet the needs of different customer segments, ranging from entry level phones for first time subscribers to advance business performances and high performance multi media devices for imaging, music and gaming.

### **Strategy-2: WIN-WIN Approach**

#### **□ Pricing**

Price is a discovery process. There is no ultimate or given formula for arriving at the right price. Company should keep discovering the right price from time to time. Price is obviously dependent on a wide variety of internal and external factors. For the customer the price is the value for money. Value is the ratio of benefits( tangible and intangible) to the price paid by the customer. Product pricing should be made such way that there is a win – win situation existing between the company and the customer.

Pricing can be done in two ways

- ◆ Higher price targeting a million segment of customers- Here manufactures have to target only urban areas where people have the capacity to pay for quality.
- ◆ Lower price targeting a billion segment of customers- In India we know that our population wants higher returns with lower investment. Hence it is the best strategy for manufactures to adopt for sustaining their brands. To support this strategy consider the example of Air Deccan. This airliner started the concept of “ Low cost airlines” in

India. Low priced tickets were offered to the customers by taking away some of the luxuries which are actually not needed by our population. This concept improved the market share and brand image of the airliner and also fulfilled the dreams of many of us who had never thought of flying. Air Deccan who had started with just one route in 2003 has today more than 35 routes connecting major cities to towns. Same is the case with Reliance India Mobile

#### □ **Customer satisfaction**

Customer satisfaction is the base of any branding strategy today. Satisfaction is a relative term and may vary from product to product. *Exceptional customer satisfaction makes the company different from competitors.* Customer satisfaction survey reveals the success of rate of a company. Customer satisfaction is measured in three parameters

- ◆ Product satisfaction
- ◆ Pre sales service
- ◆ After sales service.

Companies should implement a customer centric approach focussing on optimizing the life time value of the customer and implementing a Customer Relationship Management (CRM) system.

For Example: Polyhydron, Belgaum is practicing a very good strategy. Whenever the customer has a problem with the equipment, the company takes the initiative to directly replace it keeping its customers always satisfied.

#### **Strategy-3: On time Deliveries**

With today's advanced technology and dedicated infrastructure, on time deliverers have evolved into sophisticated logistics playing an important role in the supply of products. Customers need speed and reach. A trusted brand should listen to what the customer wants. These deliveries should be completely transparent for tracking the product every step of the way till it reaches the customers once shipment leaves their desks.

For this we have to focus ourselves on accessibility and speedy distribution. This has been very clearly evident by the "Six Sigma" company- Dabbawalas of Mumbai.

#### **Strategy-4: Brand Building and Development**

##### □ **Quality**

Product quality should be the stepping stone of all companies. Quality is the one which makes the product different from other competitors. Benchmarking should be done with the international standards to achieve the maximum benefits and to create a sustainable brand.

Customers might pay a premium price for premium quality product. As per our strategy the high quality can be achieved by

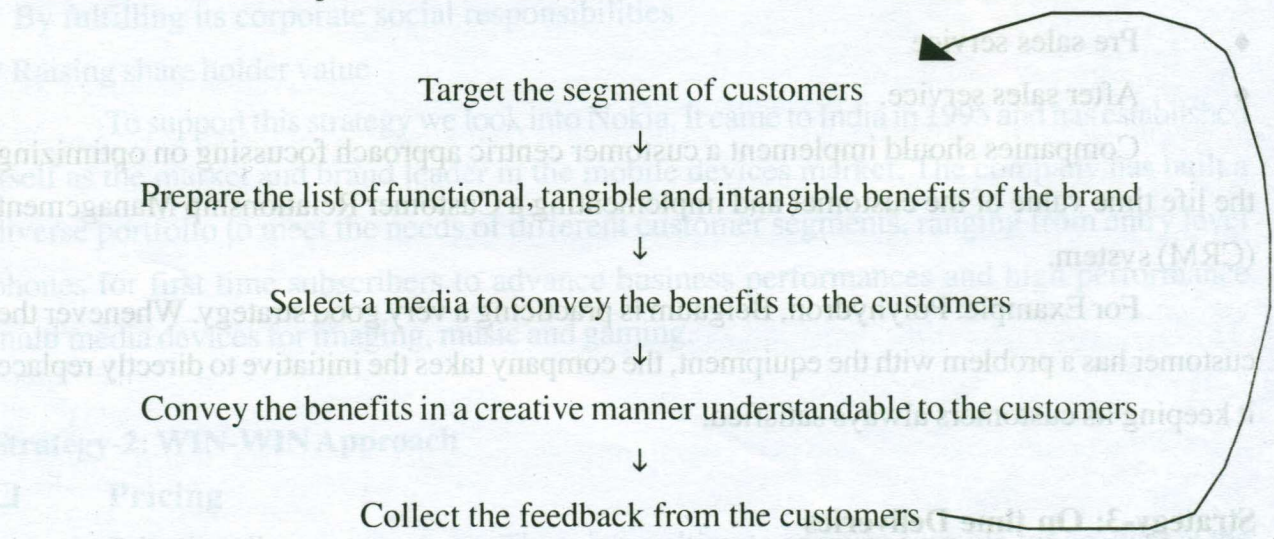
- ◆ Quality to be practiced at all levels
- ◆ Benchmarking with the available international standards
- ◆ Six – sigma projects

Example- Bournvita

□ **Positioning**

Positioning of a brand is nothing but an inherent part in the strategy for the sustenance of the brand. It deals with what the brand conveys, how it conveys and what is the target segment it conveys. Positioning should be transparent to create an image of the brand in the minds of the customers

Manufacturers should position themselves



**Repositioning** is equally important compared to positioning . Companies should improve the brands time to time according to the changing customer perceptions. This improves the market share in the new segment as well as keeping the existing customers interest alive.

□ **Advertising**

Advertising is the best means to convey your products, regarding its strengths, its uniqueness and value. It should be crisp, creative and convey volumes in minimum words and positively impact the mindset of the masses

Today advertising alliances can be used to achieve brand awareness and brand knowledge goals more effectively by leveraging the strengths of established partners and sharing costs

- ◆ Two companies can pool resources to co-brand with the ideas that the new product can enjoy unique positioning. By synergising their resources two or more organizations try to leverage their efforts for enhanced returns

- ◆ Two manufacturers can also pool resources to develop a promotional campaign featuring both brands. Credit cards, magazines, airlines, hotels are joining with manufacturers for innovative co-promotion schemes
- ◆ One to one publicity- For example: *Amway Products*

#### **Product Development**

Creating and developing a brand and turning this concept into a real business market winner is real challenge A brand can survive only when the brand owners invest more on developing new products. Manufacturers has to focus on all elements like, the product itself, the packaging, pricing and marketing strategies. They need to identify the right ideas early on; then elaborate and express them in the right way; and finally turn them into a winning concepts. For this they have to

- ◆ Determine the most responsive business target audience
- ◆ Ensure strategic compatibility between brand concept and product.
- ◆ Identify the most compelling packaging and pricing
- ◆ Uncover both rational and unconscious customer behavior
- ◆ Product innovation
- ◆ Deliver faster results using interactive technology to help increase speed to market.

As an example; lottery gaming in India- this highly efficient paper based lottery distribution system needed to build a more cost efficient secure system and hence got themselves converted into a digitalised distribution simple to use. This helped them to scale and extend customer reach effortlessly and increasing revenues.

#### **Technology**

Technology is an effective instrument for growth and change. Significant achievements in technology in several product categories and the resultant benefits it is bringing to customers will help manufacturers to build better brands and sustain longer in the Indian market. We believe that technology should focus on improving productivity and operations, price to the end customers and all this at a better quality level

To support this strategy consider the case of VIM. They have come up with variants of better technology to support the customer requirement

- ◆ VIM brand launched as a detergent powder for cleaning utensils.
- ◆ Re launched afterwards in the form of bar with lime addition for better cleaning
- ◆ Then came VIM bar with “ Stain cutters” for the removal of stains
- ◆ At present the VIM bar comes with a plastic coat for longer life.

## **The Survey**

We as a team, surveyed senior executives and managers of in and outside India between June, 2006 to determine their attitudes and approaches toward sustaining their brands. Our goal was to provide further insight into the business community's understanding of brands. The survey addressed organizational understanding, senior management commitment and attitudes, current and future drivers, and current management and reporting practices. Respondents represent mainly manufacturing industries.

## **Survey Objectives and Methodology**

We conducted this survey from 1<sup>st</sup> June '06 to 20<sup>th</sup> June '06, to gain further insight into how Companies currently understand and address the issue of Sustaining brands. The survey was intended to provide information on current corporate attitudes, approaches and activities regarding their brands, and identify specific trends.

The survey addressed the following issues:

- Current senior management attitudes to the issue of branding;
- Current and future perceived drivers of management practices relating to branding
- Current management practices at both the planning and operational levels.

## **Survey Distribution**

The survey targeted senior executives with responsibilities for sustainability. Initial company contacts were identified and questionnaire was sent.

The questionnaire was distributed via the following method:

Direct contact: We sent a request by e-mail and by telephones to the appropriate corporate representative of 65 companies.

## **Survey Response**

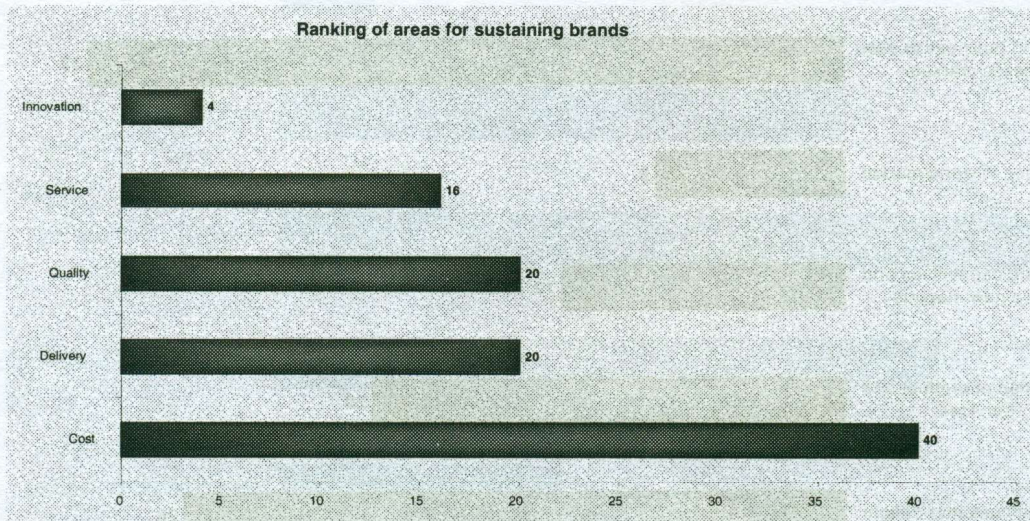
Representatives of 25 companies responded to the survey. Approximately 45% of the individual respondents were senior executives.

It's clear that there was a certain amount of self-selection in terms of which companies responded to the survey. It would be fair to say that the survey results include the attitudes and approaches of some of the most active companies in this area. Every effort was made to reach a diverse sample group.

## Key Findings

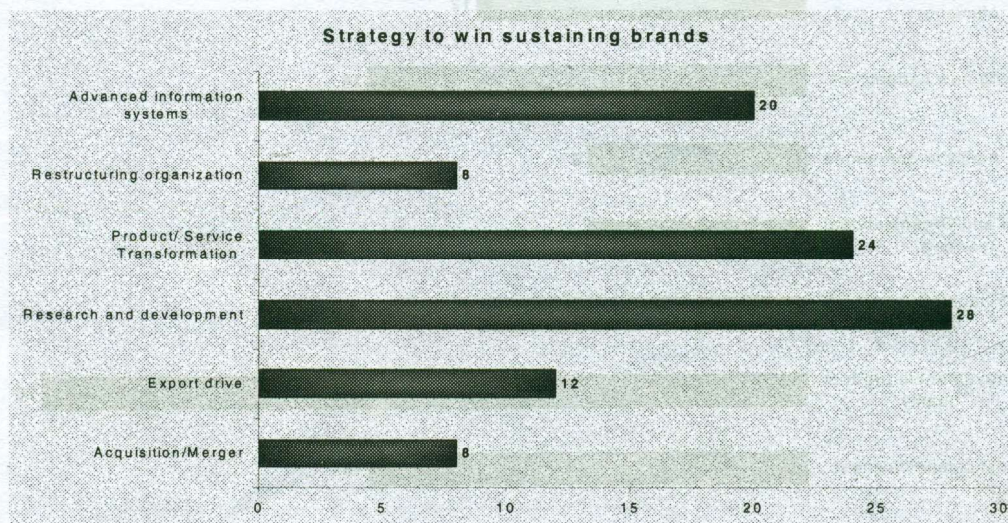
### Ranking of Areas for sustaining brands

Sustenance of brands is the results of Organization behaviour. Companies were asked to prioritize and rank among *Quality, Cost, Service, Delivery & Innovation*, which helps them to sustain their brands.



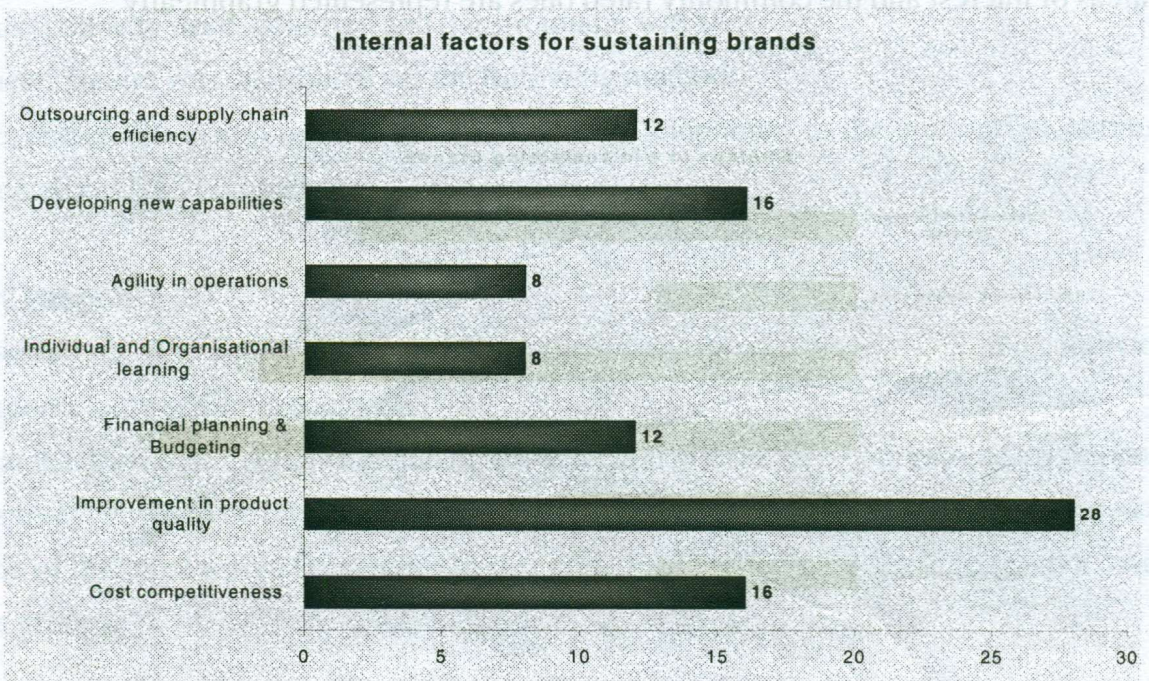
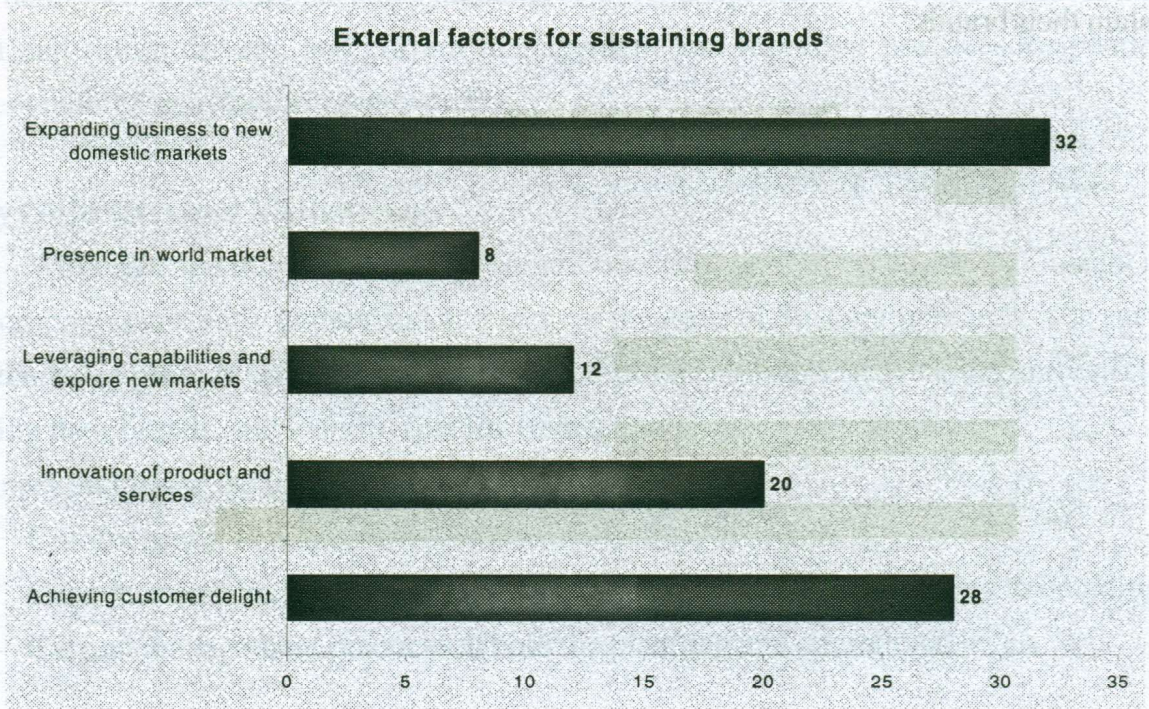
### Strategy to win sustaining Brands

Companies were then asked to about the strategy they adopt to sustain their brands. They gave their areas of interest and the commonly rated ones are represented graphically



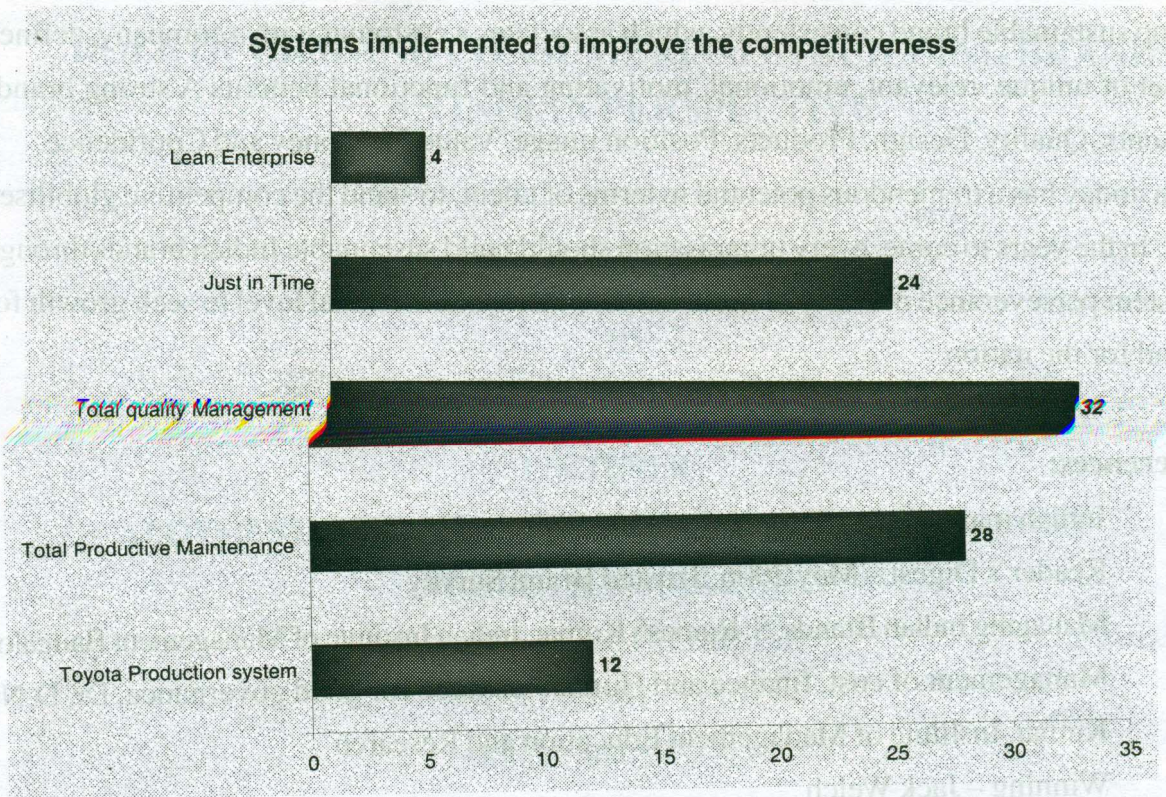
### Internal & External factors for sustaining brands competitiveness

We asked companies, what are the internal and external factors, which directly affects the sustenance of the brands. The results are represented in following charts



### Systems implemented to improve the competitiveness

Lastly the companies were asked about the system implemented to improve the competitiveness



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## **Conclusion:**

Brand can be Experimental and Psychological. Every company needs to follow 3A principles- Alert, Aware and Attune for creating brand image. Our team believes that every company should develop sustainable brand consistently, which associates a customer with a company, defined by a set of unique, relevant, emotional, motivating and functional benefits A strong brands represents: Quality, Design, Products, Position image, Value for money and Confidence.

India, today has a tremendous potential in terms of talent, to stand the competitive globalised world. In the years to come, every organisation should build sustainable Indian brands through consistent perseverance not only in India but also at the International level to seek growth for self and for the nation

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