

DEVELOPING AND MAINTAINING SUSTAINABLE BRANDS

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A Theoretical Model

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ABSTRACT

The process of political-economic transformation from a semi-controlled economy to a semi-liberalized one began in 1992 and eight years later India is emerging as one of the largest markets for commodities and services. New players have entered the market and many of the older ones have had to make way for them. An era of mergers, acquisitions, hostile bids, de-acquisitions and other forms of strategic alliances has followed. In 1991-2 the business houses which were asking for a level playing field are now asking for some sort of protection against foreign competition (c.f. Sadri 2003, 2007). New barons are entering the foray for a larger slice of the proverbial cake. Brand Identity, Brand Positioning, Brand Personality, Brand Association, Brand Essence, Brand Image, Brand Loyalty, Brand Equity, etc. were, until now, terms used in the postgraduate classroom and executive development seminars are now being heard in the corporate corridors. When the rules of the game have changed, when the raj of licenses and controls has started giving way to a freer market, the time is ripe to pose the question: what essentially does Brand Management mean in the Indian context? As we enter the dawn of the new century, a specialist in Marketing and a

specialist in Quantitative Techniques and Quality jointly take up the issue of Branding essentially from a management science viewpoint.

Introduction

This methodological paper is based on the doctoral research currently being undertaken by the author at the Birla Institute of Technology (Mesra) and focuses on how the brand owner could use different facets of brand management as a way of building and maintaining sustainable brands. Needless to say, that the perspective adopted for the prognosis is an Indian one. Accordingly, the paper looks at what kinds of brand managers exist in the market, the relevant brand positioning statements, the perceived brand personality, and the way this is being communicated through advertisements. Sadri and Jayashree (2007) have argued that business ethics and corporate governance combine to produce conditions for organizational excellence. Sadri and Guha (2007) have argued that excellence cannot be an end in itself but must lead to business sustainability. Hence this author has taken the position that what epitomizes the excellence and sustainability of a business is its brand perception in the

market.

This author set out to inquire whether having a clear positioning statement that may form an intuition on perception of the brand was imperative from the strategist's perspective. In order to do so this author interacted with 31 senior marketing managers in Mumbai and Pune through open ended interviews to note whether companies have clear perception of their brand management. In the course of listening to the various presentations made at the Indira Marketing Excellence Awards from 2003 to 2006 this author came to the conclusions that: (a) There was no single best way of brand positioning. (b) Brand positioning was a process that was honed through trial and error. (c) Brand personality was crucial to its acceptance by the market. (d) Advertisement strategy was aimed at brand recall but seldom did companies stray away from the oft beaten path and come out with something really revolutionary.

This author deduced that a scientific study would help in making (i) companies less vulnerable to marketing mistakes; (ii) increase customer loyalty and thus attract greater trade cooperation and support; (iii) enhance the ability to attract better employees; and (iv) ensure increased visibility in the stock market. These were the four tangible and logical benefits that would flow from successful Brand Management so as to enable the organization to attain business excellence and sustainability. This author also found that not having a complete understanding about branding, a marketing strategist was likely to make a *fatal error*, which is defined as *a very accurate measurement of the wrong thing*.

Background

David Ogilvy had famously declared that *any damn fool can put on a deal, but it takes genius, faith, and perseverance to create*

a brand. Hence Ogilvy could observe that *the Brand is a cult object....it has charisma...Brands are a part of the fabric of life*. On the other hand, Stephen King had gone on to argue that *a product is something that is made in a factory; a brand is something that is bought by a customer. A product can be copied by a competitor; a brand is unique. A product can be quickly outdated; a successful brand is timeless*.

The question is then posed: *what was a brand?* The word *Brand* was derived from the Old Norse word *bran* which meant "to burn." It implies in name, term, sign, symbol, or design, or a combination of them to identify the goods or services of one seller or group of sellers and to them from those of the competition according to the *American Marketing Association*. The first use of a brand was just that - a mark of ownership on cattle. There are ancient Egyptians mural paintings that picture the branding of different animals. The old Sassanian culture depicted two guardians of religion in the form of winged bulls with a lion's mane and a human face called Sarosh and Burgis. These adorned all entrances belonging to the State ever since the reign of Darius. In India ever since the days of Chandragupta Maurya the symbol of the Swastika was placed on all important doorways. Later, trademarks were used to define individual products. The red triangle of BASS, the first trademark registered in England, was designed to help the illiterate drinker recognize and differentiate William Bass's Fine India Pale Ale from other inferior products available at the time. A recent article in the *Financial Times* described a brand as something that *exists in the collective mind of the consumer*. Some others have seen it as the *promise that you make to your customer*. After all political scientists like Gaetano Mosca had seen a brand as something that the *collective consciousness of masses could align with*. When dealing with socio-political

brands Maurice Gettel had been more candid when he stated that *public opinion is neither public nor opinion*. It is not public since a few persons have strategically coined the desired message. It is not opinion since it is a subconscious acceptance of a message by the receiver in the terminology of Sigmund Freud. Ideologues from Savonarola to Khomeini, dictators from Mussolini to Zia Ul Haque, and freedom fighters from Gandhi to Mandela have all taken a central idea and made it into a brand around which desired public opinion was built and well planned collective consciousness was developed. (See Sadri and Jayashree 2007 for an elaborate treatment of this position).

Many modern day thinkers in management have taken their cue from social scientists like C Wright Mills who spoke of concepts like the *new men in power* and the *sociological imagination* or political leaders like Martin Luther King who enigmatically claimed *I have a dream*. In his book, *Building Strong Brands* (1996), David Aaker, a professor at the University of California and the world's leading academic authority on branding strategy said *A company's brand is the primary source of its competitive advantage and a valuable strategic asset*. He went on to assert that *yet, too often, the brand message to customers is weak, confused, irrelevant, or, worst of all, indistinguishable from competitor offerings*.

On the basis of the investigation made thus far this author could posit that our focus of inquiry is nothing but to understand and explain the process used to define the branding of the product or service. So this author would ascertain the brand's unique value proposition and what promise the product or service is making to the purchaser so as to be credible? The next issue is with respect to the management of brands: are brands differentiating, relevant and enduring in line with the

corporate vision. There is no two ways about the fact that a brand personality can make or break a brand and can even become the vehicle to express a customer's identity. That is, a brand personality and customer's identity has a close and mutually influencing relationship. A brand without a personality, not unlike a person, lacks friends and may be easily overlooked; it lacks association and tends to lose its essence what then to ask about its positioning. This is especially the case with FMCGs in India whose sale depends on easy brand recall.

Definitional Premise

This paper, based on empirical research, successfully tables an approach in respect of positioning sustainable brands. Hence it is only logical that certain terms be defined at the very outset. This will enable the reader to place the paradigm in its proper perspective. The moot question this paper seeks to ask is this: can this author see Brand Essence as an all enveloping phenomenon within which the other facets are subsumed? If the answer is in the affirmative, then the paradigm can be safely posited.

Brand management starts with understanding what 'brand' really means in the mindset of the corporate leaders who define the brand and control its management following top-down to reach to the people who interface with customers or who create the products which customers use.

Brand identity is the complete package of a business to its customers. Identity is essentially the reality, that is, what your brand actually is! This is what you attribute to your brand, what you, as the company, decide to portray the brand as and the messages you determine it represents and conveys.

Brand Personality is the immediate

emotional “take-way” or response that people have to a brand. When they hear a brand name or see, smell, taste or touch the product, it’s that first involuntary thought that comes to their mind.

Brand Positioning is a comparative concept as to how one brand is perceived relative to others that may be considered. A brand position demonstrates a brand’s advantage over its competitors. (Based on definitions from JA and STA, modified)

Brand Association relates to when people think of your brand and realize whether it is something they want to be associated with.

Brand Image is the market’s perception of your brand identity, which may or may not coincide with your intended brand identity. That is, what your customers believe your brand to be (or represent) after taking in all the visual, verbal, and messaging cues they receive from you and other secondary sources.

Brand Essence is exploring what your brand stands for and starts by going to its very foundation and meaning. This involves a comprehensive analysis of your current position, market trends and your future needs, and culminates in the delivery of a detailed Brand Essence and Development Strategy which will form the framework for future design and brand communications.

A Brief Description Of The Study

On the basis of the pilot survey conducted prior to firming up the research intent, towards doctoral research, this author has posited a euphemistic pyramid depicting the various aspects that go into the Management and Development of Brands. The proposed study seeks to show what factors impact the decision of a middle class housewife in choosing domestic appliances. Hence, the study concentrates on one hand on the effectiveness of advertisements and on the perception of

the middle class consumer on the other.

Pre-doctoral research to enable the author to crystallize his views began in June 2006. In these six months this author interacted with senior marketing executives in a cross section of industries ranging from financial intermediaries to fast moving consumer goods, from manufacturing units in the SME sector to software companies and from public relations firms to logistics firms. Hence there was a fair amount of generalization made possible in the pilot study itself. This has enabled us to come up with a working model which is given below and which will form the basis of further research.

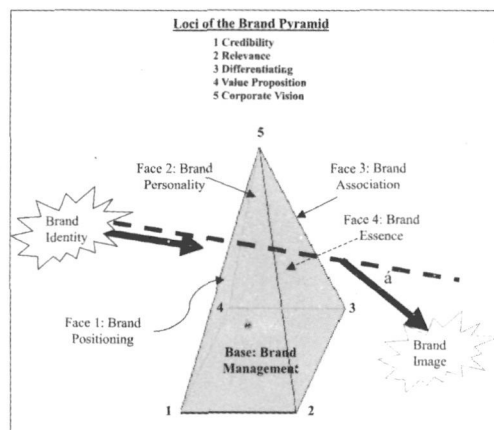
Brand Identity is essentially a unique set of functional and mental associations that the brand aspires to create or maintain. These associations represent what the brand should ideally stand for in the minds of customers, and imply a potential promise to customers. It is important to keep in mind that the brand identity refers to the strategic goal for a brand while the brand image is what currently resides in the minds of consumers. Therefore, *Brand Identity* can be established empirically on formulating scores related to product dimensions such as *Marketability* (to what extent are the benefits clear to you and believable?), *Dependability* (to what extent are you sure of its performance), *Conformance* (to what extent reliability in quality you find), *Distinctiveness* (to what extent you see unique solutions in its features), and *Acceptability* (to what extent are you expecting the current gap getting fulfilled on account of design and style). That is, brand identity can be said to be a function of Marketability, Dependability, Conformance, Distinctiveness, and Acceptability.

Brand Image is a unique set of associations within the minds of target customers which represent what the brand currently stands

for and implies the current promise to customers. The brand image is what is currently in the minds of consumers, whereas brand identity is aspiration from the brand owners' point of view. Therefore, the Brand Image can be seen as the function of Product Experience, Look and Feel, Experiential Communications, and Customer Service.

The three important aspects of Brand Positioning were identified as *Credibility*, *Value Proposition*, and *Corporate Vision*. Likewise, we could find the three important aspects in Brand Personality that can be termed *Differentiating*, *Value Proposition*, and *Corporate Vision*. Further, the three important aspects of Brand Association are *Relevance*, *Differentiating*, and *Corporate Vision*. And, the three important aspects of Brand Essence have been found to be *Credibility*, *Relevance*, and *Corporate Vision*. One can see that brand vision is common to all three. This outcome forged the author's thought into building a pyramid to posit his views, and, which can be named as *brand pyramid*. Brand Management is then found to be based upon dealing with Credibility, Relevance, Differentiating, and Value Proposition.

The five loci delineated above represent:



credibility, relevance, differentiating, value proposition and corporate vision (that is at the apex) signifying that all activity flows

there from. The base of the pyramid represents Brand Management *per se*. The black arrow passing through the pyramid signifies the message from its inception at the media vehicle up to its perceived image in the minds of the recipient. The symbol α shows the degree of deviation between the intended message and perceived message, very much like a refractive index in physics.

The proposed detailed study concentrates on ascribing a value to α on the basis of empirical investigation across five urban representative markets in the case of five selected domestic appliances in Maharashtra. These five domestic appliances have been those that are commonly used by a middle class housewife. Thus α will denote the impact of brand on the customer. The higher the value of α , the greater will be the level of distortion in the intended and perceived brand image. This will assist creative managers to devise advertisement so as to be more focused.

A Brief Analysis Of The Methodology

Industries accordingly were divided along five product lines covering five cities in Maharashtra. The emerging matrix is as per Table-1 on the following page.

The *research question* was thus framed: what factors influence a middle class housewife in selecting household appliances. The pilot study covered 20 randomly selected housewives in each of the cities and on the basis of their feedback a working model was formulated. What emerged was *the pyramid of brand management* given alongside.

The α index of a certain vehicle is going to be different depending on the polarization and direction of propagation of the message through the medium. Media vehicles can be this well-characterized by this α index, but these indices depend

Table-1

	Refractive Index α				
	MUMBAI	PUNE	NASHIK	NAGPUR	AURANGABAD
T V	2.8	2.3	1.7	1.6	1.9
FRIDGE	2.8	2.1	1.7	1.8	2.2
MICROWAVE	1.5	1.7	3.2	3.5	3.1
AIRCONDITIONER	1.7	2.4	2.4	2.2	2.4
WASHING M/C	1.5	1.7	2.3	1.9	2.2

strongly upon the wavelength of the message. Therefore, any numeric value for the index is meaningless unless the associated wavelength is specified. In general, an index of such conceptualization is a complex number with both a real and imaginary part, where the latter indicates the strength of absorption loss at a particular wavelength. In general, this α is understood to be the function of Brand Identity, and Brand Image. As far as details under Brand Image are concerned, following heads were included in the study. Therefore, according to the findings of the pilot study, these may be termed as four key areas.

1. Product Experience

- i. functional attributes of the product, how well the thing works (e.g. special ingredients in a product)
- ii. experiential features, how the product works (e.g. technologies in production process)
- iii. aesthetics (design, colors, shapes of the product)

It may be further noted that all 3 aspects of Product Experience should not be separated from each other

2. Look and Feel

- i. The look and feel includes the visual identity (name, logo, signate, packaging, store design, Web Sites)
- ii. Demonstrative effect of consumption

3. Experiential Communications

- i. Experiential Communications include the various forms of advertisement; it has to provide value, inform and entertain the customer (it differs depending on B2B or B2C).

- ii. Cultural acceptability since many times advertisements have had to be removed or altered since the words and symbols when translated into local dialect and mores becomes socially unacceptable or politically incorrect.

4. Customer Service

- i. It is important not to forget the aspect of customer service in the overall brand experience. Specifically, the cradle to grave aspect of the customer chain should not be broken—this ensures that the “brand promise” is not broken.
- ii. Since marketing is all about converting a customer into a client this aspect becomes crucial.

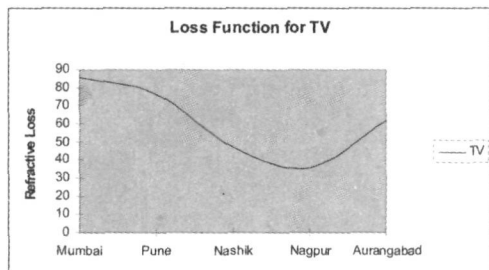
The Implications

These key results must ideally be ingrained into any branding strategy and be consistently reinforced at every opportunity. This will enable us to make a spot study on the effectiveness of the commercial.

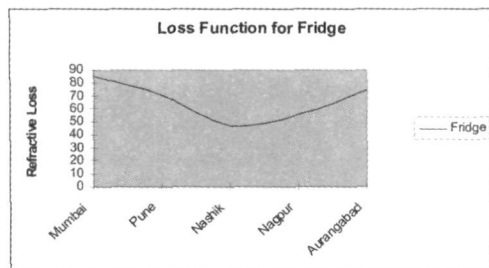
We have established that the values of refractive indices have some relationship with the below mentioned loss function,

which implies the loss in the intend of the message. Empirically, Opportunity Loss Function = $[1 - \{1/(\mu^2 - 1)\}]$, where $\mu = \tan \alpha$. Quite simply the opportunity loss function signifies the loss in intended message through commercials. That is what was meant to be communicated was not communicated due to a variety of reasons ranging from perception to message transfer.

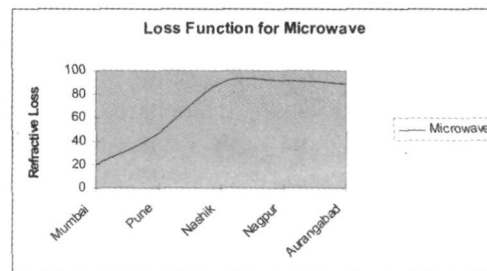
Once the marketing manager knows the value of the opportunity loss function he can plan how best to use the budget allocation so that maximum utilization of scarce available resources can help narrow the gap between message transfer and message receipt.



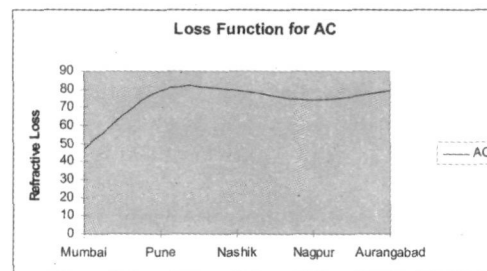
It can be deduced from the data plotted above that Mumbai respondents are relatively less interested in TV commercials compared to the five cities under study, but a typically rural mass of Nagpur sees value in the commercials of TV. Hence TV ads should concentrate on attracting customers from Nashik and Nagpur.



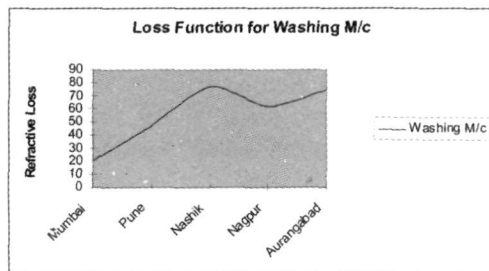
It can be deduced from the data plotted above that Mumbai respondents are once again relatively less interested in Fridge commercials compared to the five cities under study, but respondents from Nashik, Nagpur, and even less than them from Aurangabad saw value in the commercials of Fridge.



It can be deduced from the data plotted above that Mumbai respondents are highly enthusiastic for Microwave oven than in the case of any other city under study. Pune is showing less interest than Mumbai, but respondents from Nashik, Nagpur, and Aurangabad saw negligible value in the commercials of Microwave oven.



It can be deduced from the data plotted above that Mumbai respondents are relatively highly enthusiastic for AC than for any other under study. Pune is progressively showing interest, but respondents from Nashik, Nagpur, and Aurangabad saw negligible value in the commercials of AC.



It can be deduced from the data plotted above that Mumbai respondents are highly enthusiastic for Washing Machines than for any other city under study. Pune is showing lesser interest, but respondents from Nashik, Nagpur, and Aurangabad saw very little value in the commercials of Washing Machine.

Advantages Of This Study

It is postulated that the study has orientation to conceptualize an appropriate theoretical framework to explain variations in refractive loss function with respect to cities, which would help the planners to effectively use their advertising budget. Besides explaining the conceptual framework of branding, the study tries to correlate the different facets of brand management to give it an insightful strategic angle which can be commercially exploited while managing strategies for risk in branding. Such analytical study would help brand-managers to connect with customers, and multiply the forms of value that a brand can deliver. Moreover, this theoretical model would be helpful in creating new customers outside the traditional realm of the product; strategically preparing customers for new products, cost-effectively extending the brand into new markets; source new forms of brand value (from customers) upon reducing market risk. Above all, this study provides an aid to simulate the brand before actually putting it to test in the hands of the customer thus bridging the gap between theory and practice.

Limitations Of This Study

Even though based on a non-representative sample of subjects and a small number of brands, the items generated in study may serve as a fruitful collection of attributes for future replications and scale validations. Currently most of the researchers find simulation as useful means to make an investigation but the limitation is on effectively guiding the environmental inputs which would facilitate the creation of a customer. Naturally, $1 + 1 = 11$, can be viable for Brand in Mathematical terms, but what ultimately remains is the methodology with which this can be stated. The attempt of the author is to provide a methodological understanding to the level of $1 + 1 = 11$, while accepting that further and more detailed analysis is required for the paradigm to be accepted by the academic as well as the marketing fraternity. In addition, the author believes that this model needs to be tested in respect of other products and not just the domestic appliance. From the conversations this author has had and the peer reviews received the validity of this prognosis in other sectors is likely to be positive.

Conclusion

This trend in the data reflects the responses of housewives in the five cities. It is conditioned by the speed and complexities of life in these cities. As one knows people travel great distances in local trains in Mumbai and take up to four hours going and coming back from work. They are packed, to quote Sadri, 'like sardines and come out like toothpaste from the local train compartments'. Stress levels are high and therefore one would rather spend time with the family or hit the bottle rather than watch TV seriously. In Pune the speed of life is little slower but road projects which are under way since 2002 still take up a lot of travel time. Stress levels are high but not

anywhere like Mumbai and people do not gravitate near the TV as in the villages.

Almost every house has a TV and a fridge in Mumbai and Pune and this would explain why demand for these new goods is falling. Given the fast pace of life and the rise of nucleus families the need for microwave ovens in Pune and Mumbai is rising. In the case of air conditioners three factors matter. In Mumbai people want them because they like to relax in peace after a hot humid day. Secondly, the number of players in the market has risen and prices have become more competitive with installment purchases made easy. Thirdly, the liquidity of money in Mumbai is higher than in other cities making conspicuous consumption that much more attractive.

High levels of humidity and pollution force people from Mumbai to wash their clothes more regularly than the persons living in Nagpur, Nashik and Aurangabad. For middle class housewives the washing machine was increasingly seen as a necessity rather than a luxury.

On the basis of the study we could venture to say that without achieving these branding results the chances of building a successful business are very slim. It was discovered that many owners only focus on building awareness, believing that it alone will generate sales. The phrase, 'I just need to get my name out there' was oft repeated and demonstrated the mistaken belief among a large number of small businesses. They failed to recognize that their sales team must also educate and build trust to get the prospective customer to act in their favor and then become a client.

In addition, it is almost a truism that without knowledge and trust prospects do not have enough reasons to reach a point where they are comfortable making a purchase. They still have doubts and perceived risks to be too great to spend their money. This author's research in the SME sector

supports the view, furthermore, that every small business must therefore make a serious and sustained effort to attain all branding results to make the prospects comfortable with their decision to purchase.

Thus this paper can be seen as a contribution to the theory of household demand on the one hand and towards an understanding of the public perception of domestic appliances on the other. It therefore equips the marketing manager with an instrument and a methodology to make their sales pitch that much more effective.

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