# CHAPTER V – CASE STUDY AND CASE STUDY ANALYSIS

## 5.0.0.0 Introduction

A case study presents an account of what happened to a business or industry over a number of years. It chronicles the events that managers had to deal with, such as changes in the competitive environment, and charts the managers' response, which usually involved changing the business- or corporate-level strategy.

Cases prove valuable in a course for several reasons. First, cases provide, the experience of organizational problems that is had faced in the past. In a relatively short period of time, one has the chance to appreciate and analyze the problems faced by many different companies and to understand how managers tried to deal with them.

Second, cases illustrate learning's. The meaning and implication of this information are made clearer when they are applied to case studies. The theory and concepts help reveal what is going on in the companies studied and allows to evaluate the solutions that specify companies adopted to deal with their problems.

In this chapter ten different case studies had been reviewed. These case studies had been chosen as they focus on brand revitalization strategy. There had been dearth of study reveal that the brand needs to be revitalized and on regular basis brand needs to be nurtured and cared for to have the brands long and sustainable life cycle.

These case studies give the practical information regarding the usage of brand revitalization strategies. As suggested companies before revitalization should identify the reasons for brand decline and should choose the appropriate brand revitalization strategy. These case studies shows that how brand which were at the pinnacle in its product category were declining from its position but after revitalization how successfully they made the come back and regained the lost position.

## 5.1.0.0 Case Study Analysis Format

As just mentioned, the purpose of the case study is to let you apply the concepts you've learned when you analyze the issues facing a specific company. To analyze a case study, therefore, one must examine closely the issues with which the company is confronted. It should be followed by how the problem was resolved by the management. In this chapter each case study had been analyzed in the following format:

**5.1.1.0 Introduction:** The introduction was given for the every case study. It discusses in brief about background of the company, its performance in the past and problem faced by the company.

**5.1.2.0Reasons For Brand Revitalization:** It was essential to assess why brand wanted to do brand revitalization. The reasons were stated separately for every case study. This would help in gaining information that what went wrong with the brand.

**5.1.3.0Strategies For Brand Revitalization:** There are many strategies for brand revitalization. But the firm may select any of the strategy to revitalize the brand. In revitalizing the brand the mix of brand revitalization strategies are adopted. The success of the brand revitalization strategies depends upon how well the strategy was implemented in the market.

**5.1.4.0Parameters Of Mature Brand For Brand Revitalization:** Each brand was evaluated on the parameters of mature brand which brand should have before revitalizing the mature brand. These parameters were based on the findings of the chapter IV. In chapter IV the survey was conducted to get these parameters. By evaluating the brand on the identified parameter would give support to the fact that mature brand which needs to be revitalized have the common parameter.

**5.1.5.0 Conclusion:** The conclusion was drawn for all case studies, to find out how the brand performance was enhanced after the revitalization.

## 5.2.0.0 Case Study—'Dabur Over the Years: The Dabur Story'

A classic case of a family owned business being handed over to professionals a company making timely strategic interventions to adapt to the business environment and maintaining its brand equity over the years.

Dabur India Limited (DIL) is the third largest FMCG Company operating in India with a turnover of more than Rs. 2,233 crores. It operates under three business categories namely Consumer Care Division (CCD), Consumer Healthcare Division (CHD) and Dabur foods Limited (in July 2007, Dabur announced the de-merger of DFL with DIL).

**Background-** Dr. S.K Burman started Dabur in 1884 as a small pharmacy. Initially, he prepared Ayurvedic medicines to treat diseases like malaria, plague and cholera that had no cure during that period. It was his dedication, commitment and empathy that made Dabur a renowned name among the masses. And today, after more than 120 years, Dabur is known for its trustworthiness more than anything else.

During this passage of time, Dabur went through several structural and strategic changes to maintain its market strength. The real mass production started in 1896. Early 1900's saw Dabur emerge as the first company to provide health care through scientifically tested methods. It achieved significant improvements after setting up Research and Development centers and manufacturing automation. The launch of Dabur's Amla hair oil and Chyawanprash was a boon to the expanding business. To keep up with the times, Dabur computerized its operations in 1957. It's Dant Manjan and digestive tablets were widely accepted as well.

However with a large product portfolio in the market, Dabur had to maintain operational efficiency. To make sure it adjusted to the business environment it became a public limited company in 1986 followed by diversification in Spain in 1992. A major change came when Dabur came up with its IPO in 1994. Because of its position, Dabur's issue was 21 times oversubscribed. Dabur further divided its business into three separate groups:

- Health Care Products Division
- Family Products Division
- Dabur Ayurvedic Specialties Limited.

In 1998, for the first time in the history of Dabur, a non-family member took charge. Dabur handed over the operations to professionals. Successful implementation of procedures, timely changes and maintaining its essence, Dabur achieved its highest-ever sales figure of Rs1166.5 crore in 2000-01.

As FMCG sector was struggling with the slow growth in the Indian economy, Dabur decided to take numerous strategic initiatives, reorganize operations and improvise on its brand architecture beginning 2002.

It decided to concentrate its marketing efforts on Dabur, Vatika, Anmol, Real and Hajmola to strengthen their brand equity, create differentiation and emerge as a pure FMCG player recognized as herbal brand. This was chosen after a study with Accenture, which revealed that Dabur was mainly perceived as Herbal brand and connected more with the age group above 35.

Also, larger retailers were making their foray into the FMCG market. Apart from HLL, P&G, Marico and Himalya, ITC was also posing a challenge. The supply chain of Dabur was becoming complex because of the large array of products. Southern markets share in the sales figure was negligible. These factors posed a threat to Dabur and hence small changes were not enough.

**Table 5.1 Product Portfolio Of Dabur (Consumer Care Division 2006)**

| Product Category | Products |
|---|---|
| Hair oil | Vatika, Amla, Sarso (Anmol coconut) |
| Shampoo | Vatika heena conditioning, root-strengthening Anmol-natural shine, silky |
| Baby & Skin Care | Vatika fairness, Gulabari, Vatika fairness face pack , Janamghutti, Olive oil, Gripe water, Dabur lal tel |
| Digestive | Hajmola range, Hingoli, Pudin hara |
| Health Supplements | Chyawanprash, chyawanshakti, Dabur Honey, Glucose |
| Oral Care | Babool (rural market), Meswak (unani method), promise, Lal paste, Binaca, Promise |
| Home Care | Odomos, Odonil, Odopic, Sanifresh |

**Table 5.2 Segment Wise Competitor List**

| Category | Dabur's Share | Main Competitors |
|---|---|---|
| Fruit Juice | 58% Real and Active | Tropicanna |
| Fruit Drinks (coolers) | 1% Coolers | Frooti And Maaza |
| Hair oil Coconut base | 6.4% Vatika | HLL |
| Shampoo Vatika | 7.1% | HLL and P&G |
| Hair care (overall) | 27% | HLL, P&G and Himalaya |
| Chyawanprash | 64% | Himani, Zhandu and Himalaya |
| Honey | 40% | Himani, Hamdard and local Players |
| Digestives | 37% | Paras and local players |

Following its plans, Dabur made significant changes in the time period 2002-2007.

**Brand Rejuvenation:** With youth forming a major population of India, Dabur decided to revamp its brand identity. Dabur associated itself with Amitabh Bachchan, Vivek Oberoi, Rani Mukherjee and Virender Sehwag for endorsements. New packaging and advertising campaign saw the sales of Chyawanprash grow by 8.5 per cent in 2003-04.

**Brand Logo:** The year 2004-05 saw a whole new brand identity of Dabur. The old Banyan tree was replaced with a new, fresh Banyan tree.The logo was changed to a tree with a younger look. The leaves suggesting growth, energy and rejuvenation, twin colours reflecting perfect combination of stability and freshness, the trunk represented three people raising their hands in joy, the broad trunk symbolized stability, multiple branches were chosen to convey growth, and warmth and energy were displayed through the soft orange colour. 'Celebrating Life' was chosen as a new tag that completely summarized the whole essence.

**Dabur Chyawanprash Rejuvenation:** Dabur Chyawanprash (DCP) is a heritage brand which came into existence in the year 1949. The brand is now ruling the market with a market share of around 60 - 70 %. The total Chyawanprash market is estimated to be around Rs 300 crore (AC Nielsen Retail Audit 2006-07).

Chyawanprash is popular as a kid's health tonic. Parents used to rely on this product for their kids especially if the kids are between the ages 6-16. Because the teens are usually hyperactive and less inclined to taking foods. Hence Chyawanprash offered a solution to the worried parents. The ayurvedic tag also alleviated worries of side-effects.

Over a period of time Dabur Chyawanprash began to face tough competition not from other Chyawanprash marketers but from health food drinks market. In fact the generic competition was hurting DCP more than the brand competition. The health food drinks like Horlicks, Bournvita, Complan etc appealed more to kids than the Chyawanprash. The modern lifestyle also made this product look dated.

There was also a perception among the consumers that Chyawanprash is something that has to be consumed when you are not feeling healthy. DCP although was ruling the market faced the issue of stagnation. The stagnation was a result of category stagnation rather than saturation. The only option left for DCP was to rejuvenate the entire product category.

In 2007, Dabur undertook a major repositioning exercise for this Rs 150 cr0re flagship brand. The purpose of repositioning was to:

- Stretch the market for Chyawanprash
- Make the brand more contemporary
- Reinforce new set of attributes.

The brand identified two segments: Adults and Kids as the focal point in the repositioning exercise. A series of TVC and print campaigns were released to target both the segments. The campaigns were aimed at parents. The consumer insight was that people care about their loved ones than oneself (source: Hindustan Times).

The entire campaign was based on the theme of 'role reversal '. The ads featured the brand ambassador Amitabh Bachchan asking the audience to understand the challenges of being a kid, a father and a mother. The campaign involves mother taking the role of a kid, father and son taking the role of a mother and thus understanding the physical and metal exertions involved in each role. The ads end with the Voice-Over ' Dabur Chyawanprash, Zaroorat hai sabko ' (meaning - DCP: essential for everyone).

DCP earlier had the slogan - Zaroorat Hai and was positioning itself as a health tonic which is essential for kids. The new tagline broadens the segments by including every member of the family. In the new positioning the brand retains the core brand manthra of ' Natural health tonic' but stretches the segments to include adults.

By positioning it to adults does not mean that the brand has lost its sight on kids. The brand makes itself relevant to kids by a series of campaigns featuring a new brand ambassador Vivek Oberoi.

By positioning itself to new segments, the brand aims to realize its full potential. DCP now stresses on the new set of attributes: health, stress and diabetes. While the standard Chyawanprash takes the health attribute, Dabur launched Chyawanshakti to take on the stress platform. Chyawanshakti is positioned as a stress reliever and energizer.

DCP also makes the category attractive to diabetic/ diabetic prone consumers by launching Dabur Chyawanprakash. Chyawanprakash is targeting the high density of diabetic patients in our country which makes a highly lucrative market. To take on the competition from the health food drink market, Dabur is planning a foray into the HFD market with a new brand.

News reports suggest that the new gamble has paid off pretty well. What I liked about the repositioning is the execution of the entire idea. Without making much hue and cry, the brand had very subtly made itself relevant to adults.

The Chairman in his annual report message said, “If I were to summarize your Company’s performance during the year under review (2004-2005), it would be ‘Pursuit of Profitable Growth’”.

**HR Initiatives:** The culture at Dabur gives full autonomy to its employees. Various training and development programs like Young Manager Development Program, Prayas, Leading and Facilitating Performance, Campus to Corpora and a Balanced scorecard approach to performance evaluation, helps employees realize their potential.

Recently, Dabur has adopted an innovative HR program of offering ESOPs to new engineering and management trainees at the time of joining. Also in 2005, Dabur gave Bonus to its employees after 12 years. This boosted the employee morale further.

Dabur was listed as a “Great Place to Work”, in a survey conducted by Grow Talent & Company and Great Place to Work Institute, USA. Dabur was listed as the 10th “Great Place to Work”. The results were published in Business World dated February 2006.

**IT initiatives:** Dabur installed centralized SAP ERP system from 1st April 2006 for all business units. It also implemented a country wide new WAN Infrastructure for running centralized ERP system. Further it set up new Data Centre at KCO Head Office.

**Supply chain Initiatives:** Dabur has undertaken e-procurement in a big way. In 2003-04 Dabur India procured Rs.210 crore of raw materials through e-sourcing — or almost 50 per cent of total raw material expenditure — and, in the process, considerably controlled raw material costs which were on a rise.

For better production and operation management, Dabur included automation; de-bottle necking, Kaizen and wastage control. It set up production units in locations providing tax holidays to reduce cost and improve efficiency.

**Other important changes:** Dabur made its largest acquisition by taking over Balsara hygiene and home products business. Dabur bought the entire promoters' stake of three Balsara companies through an all-cash deal of Rs.140 crore. This was done to ensure Dabur's presence in all price segments in the herbal oral care market. Moreover, it allowed Dabur's entry in the household care segment, where Balsara has well-established brands.

Dabur also de-merged its pharmaceutical business to come out as a pure FMCG player. Dabur estimated that the southern region was contributing as low as 7% to its overall growth. For this purpose, the south team adopted a three-phase approach. First, it focused on point of sale promotions and stocking practices. Second phase included better marketing efforts in terms of advertising and packaging. Finally, it envisioned customized product launches for the Southern states. The completion of first two phases by 2005-06 resulted in increasing contribution to 10%.

**Vision 2010:** After the successful implementation of the 4-year business plan from 2002 to 2006, Dabur has launched another plan for 2010. The main objectives are: Doubling of the sales figure from 2006. The new plan will focus on expansion, acquisition and innovation. Although Dabur's international business has done well — growing by almost 29 per cent to Rs.292 crore in 2006-07, plans are to increase it by leaps and bounds.

Growth will be achieved through international business, homecare, healthcare and foods. Southern markets will remain as a focus area to increase its revenue share to 15 per cent. With smoothly sailing through its previous plans, this vision seems possible. Time and again, Dabur has made decisions that have led to its present position. However, if Dabur could be more aggressive in its approach, it can rise to unprecedented levels.

## 5.2.1.0 Case Study Analysis – 'Dabur Over the Years: The Dabur Story'

### 5.2.1.1 Introduction

The case study sighted above discusses how a family owned brand had been nurtured by the professionals. Dr. S.K Burman started Dabur in 1884 as a small pharmacy. Initially, he prepared Ayurvedic medicines to treat diseases like malaria, plague and cholera that had no cure during that period. It was his dedication, commitment and empathy that made Dabur a renowned name among the masses. And today, after more than 120 years, Dabur is known for its trustworthiness more than anything else.

Company took some key steps to give the brand a new look and also it should be perceived as young brand having years of experience. The case study also looks at the brand revitalization of its product Dabur Chyawanprash.

### 5.2.1.2 Reasons For Brand Revitalization

- **Struggling industry environment:** FMCG sector was struggling with the slow growth rate in the Indian economy, Dabur decided to take numerous strategic initiatives, reorganize operations and improvise on its brand architecture beginning 2002.

- **Easy entry to competitors:** Larger retailers were making their foray into the FMCG market. Apart from HUL, P&G, Marico and Himalya, ITC was also posing a challenge.

- **Stiff competition:** Over a period of time Dabur Chyawanprash began to face tough competition not from other Chyawanprash marketers but from health food drinks market. In fact the generic competition was hurting DCP more than the brand competition. The health food drinks like Horlicks, Bournvita, Complan etc appealed more to kids than the Chyawanprash. The modern lifestyle also made this product look dated.

- **Market stagnation**: DCP although was ruling the market faced the issue of stagnation. The stagnation was a result of category stagnation rather than saturation.

- **Supply chain:** The supply chain of Dabur was becoming complex because of the large array of products. Southern markets share in the sales figure was negligible. These factors posed a threat to Dabur and hence small changes were not enough.

### 5.2.1.3 Strategies For Brand Revitalization

- **Attract new customers:** With youth forming a major population of India, Dabur decided to revamp its brand identity. Dabur associated itself with Amitabh Bachchan, Vivek Oberoi, Rani Mukherjee and Virender Sehwag for endorsements. New packaging and advertising campaign saw the sales of Chyawanprash grow by 8.5 per cent in 2003-04.

- **Change the brand image:** The year 2004-05 saw a whole new brand identity of Dabur. The old Banyan tree was replaced with a new, fresh Banyan tree.The logo was changed to a tree with a younger look. The leaves suggesting growth, energy and rejuvenation, twin colours reflecting perfect combination of stability and freshness, the trunk represented three people raising their hands in joy, the broad trunk symbolized stability, multiple branches were chosen to convey growth, and warmth and energy were displayed through the soft orange colour. ‘Celebrating Life’ was chosen as a new tag that completely summarized the whole essence.

- **Associate the brand with relevant goals:** DCP earlier had the slogan - Zaroorat Hai and was positioning itself as a health tonic which is essential for kids. The new tagline broadens the segments by including every member of the family. In the new positioning the brand retains the core brand manthra of ' Natural health tonic' but stretches the segments to include adults.

- **Brand extensions and sub-brands:** The standard Chyawanprash takes the health attribute; Dabur launched Chyawanshakti to take on the stress platform. Chyawanshakti is positioned as a stress reliever and energizer. DCP also makes the category attractive to diabetic/ diabetic prone consumers by launching Dabur Chyawanprakash. Chyawanprakash is targeting the high density of diabetic patients in our country which makes a highly lucrative market.

- **Identifying additional or new usage opportunities:** The brand was being positioned not as the tonics required when kids are not well but as the tonic which protects them from cold and coughs which is effective for adults also. This was communicated through the ads featured the brand ambassador Amitabh Bachchan asking the audience to understand the challenges of being a kid, a father and a mother. The campaign involves mother taking the role of a kid, father and son taking the role of a mother and thus understanding the physical and metal exertions involved in each role. So the brand got new usage opportunity of health tonic essential for all.

### 5.2.1.4 Parameters Of Mature Brand For Brand Revitalization

- **A distinct Point-of-Differentiation:** The brand carries with it the differentiating point of an ayurvedic brand to which Indian consumer more loyal as the products under this category do not have side effect and are healthy.

- **Moderate to premium priced:** The brand offers the wide range of product in all categories so that the consumer select as per its requirement and usage.

- **Focused management with resources:** Brand has been able to sustain for more than 120 years due to focused management which had been nurturing the brand on regular basis.

- **Wide distribution network:** Brand has wide distribution network all across the country and the products are easily available in medical shop, grocery shop and malls.

- **Loyal customer base:** Brand has very vast loyal customer base and the brand has also changed its image with its customer.

- **Long-held heritage:** As the brand is more than 120 years it holds long heritage with it.

- **Brand awareness has narrowed:** As per the above case study the brand awareness was getting narrowed down due to intense competition from the MNC giants like HUL, P&G to name the few.

### 5.2.1.5 Conclusion

The company has, over the past couple of years, been pruning its low contribution brands and reorienting its focus on its key brands in the family products, healthcare and food segment. The company has also been consciously reoriented itself into a fast moving consumer goods (FMCG) company against its image of a company manufacturing ayurvedic products.

The company has also introduced various over-the-counter products this year for backache and anti-septic categories with aggressive marketing in order to boost top line growth which has been under pressure.

Thus we can say that by continuously rejuvenating the brand Dabur it has leaded the glorious and successful life. This brand can be categorized as the mature brand being nurtured although it’s life.

## 5.3.0.0 Case Study – '75 Years of Dettol'

Dettol, the brand synonymous with protection from germs, had for long been voted as India's most trusted brand. In September 2008, the marketing team of Dettol was reviewing the brand's performance in its 75th year of existence to formulate a three-year plan. Dettol's growth trend had been slow but steady over the years and a number of initiatives taken in the recent years had started yielding results.

The brand started its journey in 1933 as antiseptic liquid, but over the years, it has been extended to a number of product categories like toilet soaps, liquid handwash, liquid bodywash, shaving cream and plaster strips. The growth trend in the last few years had been encouraging with shares showing an accelerated upward growth in most categories, but the team felt share gain could be much faster. The brand team decided to further build on the growth trajectory and set itself a visionary target - that of doubling Dettol's overall share in next three years in the combined market of the product categories it is present in (Antiseptic Liquid, Bar soaps, Liquid Handwash, Bodywash).

The team knew that it had to address various challenges to achieve its ambitious target viz. consumers saw the need for germ kill only in specific situations, resulting in irregular usage and seasonality. The brand had to fight in a competing environment in which new variants and re-launches were used for driving growth, it was critical to determine what & where should be the business thrust to optimize the marketing spend and further accelerate the brand growth.

**Company Background:** Reckitt Benckiser India Ltd (RBIL) is a fully owned subsidiary of Reckitt Benckiser Plc., world's No.1 Company in household cleaning. Reckitt Benckiser Plc came into being with the merger of Reckitt & Colman Plc with Benckiser NV in 1999. The company has operations in 60 countries, sales in 180 countries and has had net revenues in excess of $5.5 billion. Reckitt Benckiser India Ltd (RBIL) manufactures and markets a wide range of products in Personal care, Pest control, Shoe care, Antiseptics, Surface care, Fabric care and other categories. Amongst its many well-known brands are Dettol, Mortein, Harpic, Cherry Blossom, Lizol, Disprin, Robin powder, Colin, etc. Most of these brands are either number 1 or number 2 in their respective categories in India.

RBIL distributes all its products through its common distribution channel, which has a wide and deep reach in the markets and is a key strength of the company. The channel is managed by a well structured sales force, responsible for achieving sales for the entire product portfolio of more than 150 Stock Keeping Units (SKUs).

**Brand Dettol:** The brand Dettol was launched in India in 1933 in the Antiseptic liquid form as a treatment for cuts and wounds. For almost the first 50 years, Dettol was present only as an antiseptic liquid. Although it was being used in hospitals and nursing homes for first aid and disinfectant uses like cleaning wards, washing linen, etc. Consumers were also using it for bathing, mopping, shaving and other secondary purposes. While it started its journey as the 'cuts and wounds' brand in the country, over the years it had taken over the role of 'protector from germs' in every situation.

Dettol Antiseptic Liquid has some strong, distinct associations-first and foremost is its trademark smell. Who can miss the characteristic Dettol smell that has been the reassurance to many a child's scraped knee! Consumers recognize the smell enough to refer to a medicinally clean room as 'Dettol like smell'. In the book, 'Planning of Power Advertising', Anand Halve mentions, "It is a safe bet that you will be able to tell the smell of Dettol liquid on a cut with the reassuring tingling sensation which tells you it has begun to work. Savlon on the other does not have the same burning sensation, (and is) very often seen by consumers as 'ineffective' ".

The second characteristic is its amber gold colour. The third is the 'clouding' effect that appears when it is added to water.

Dettol's packaging is distinct in its very own way. The green & white colours are associated with hospitals. All Dettol products have a sword on the pack, which is a symbol for fighting germs and infection. Over the years, the clouding action and the sword have become synonymous with the brand and have been creatively used in Dettol advertising.

Consumers see Dettol as an 'expert', as something which is effective and versatile and guarantees protection from germs. It has been likened to a bodyguard who protects them from the unclean and unhygienic outside world. The brand's versatility stems from multiple uses of the antiseptic liquid which offers protection in so many different forms.

Usage of the brand gives rise to many emotions in the consumers' minds. From making them feel safe and secure about the well-being of their family to making the mother feel that she has done the best for her family, the brand evokes positive imageries and emotions. Thus, it is only fitting that the brand's tagline says - **Be 100% Sure**.

Over the years brand Dettol has been extended and has made its presence felt in a number of product categories. While Antiseptic Liquid was the category where the brand was born and where it continues to command a dominant market share of 85%, its revenue growth is significantly driven by its presence in the other product categories of toilet soaps(or bar soaps), Liquid handwash, Body wash, Shaving Cream and Plasters. Each of these markets are at varying stages of evolution, so while in one market the brand - as the leader - had the responsibility of driving overall market growth, in other markets, the brand strategy had been to garner share. Fundamental to all the categories was existence/creation of a consumer need for germ protection satiated by Dettol's trusted promise.

**Markets for various categories - The Antiseptic liquid market:** The Antiseptic liquid market in India is estimated at Rs. 120 Crores in 2007*(see Table 5.3 1a for category sales).* The market is dominated by Dettol Antiseptic Liquid, which has close to 85% share. Johnson & Johnson's Savlon is the other significant player with a market share of 13%. A few years back, this market saw introduction of Suthol brand antiseptic liquid from G.D. Pharma (makers of Boroline). Dettol Antiseptic Liquid is under pricing control of a Govt. authorized body *(see Table 5.3 1b and1c for market share & pricing).*

**Communication:** Dettol's communication in the initial years was via medical detailing material, print advertisement in popular press and medical journals. This was followed by TV advertisements cantered on first aid application for many years.

U&A study showed that while First Aid use in the households had a near 100% penetration, many homes were using it for secondary purposes. In order to exploit this potential in 2005, the message strategy saw a shift to communicating secondary usages like adding Dettol to bathing water, disinfecting the floors, nappy rinsing etc. In early 2008, the brand's communication took another step forward with its *"Aapka Dettol Kya Kya Karta Hai"* campaign – that showcased how brand users across the country had formed their own special bond with the brand – using it whenever and wherever they felt a need for disinfection.

Antiseptic Liquid is a well-penetrated market, given its use in first aid, and is sold in over 16 lakh outlets in the country *(see Table 5.3 1d for distribution details).* Over the years, the product has been extended for other disinfection uses like adding to bathing water, disinfecting baby nappies, adding to water while mopping etc. and at present secondary usage contributes more volumes of Dettol Antiseptic liquid than the primary first aid usage.

**Other Players in the antiseptic liquid market**

**Savlon:** It is the key direct competitor in the Antiseptic Liquid market. It was launched with 'no sting with Savlon' campaign. It attempted to pull the consumer base towards its product promise of non-sting. In Feb 2005, it started with a new '70% doctors prefer Savlon' advertisement with heavy media support. However, brand's share has more or less remained stagnant over the years. Since beginning of 2007, Savlon has been off air.

**Suthol:** G.D. Pharma launched Suthol antiseptic liquid in April 2006 in their stronghold state of West Bengal, which was positioned on soothing sensation, from irritation due to prickly heat, mosquito bites, after-shave, etc. Both TV and print media were used to promote the brand in West Bengal during the launch phase. The brand has shown strong share gain mainly in the East. In 2007, the brand was rolled out to other states, with heavy print support in Delhi & West Bengal, but with little success beyond East.

**Markets for various categories - The Bar Soap Market:** The Bar Soap Market in India is worth Rs. 6550 Crores *(see Table 5.4 2a for category size).* With a 100% penetration, the soap market has been volumetrically stagnant in the last few years. However, value wise, the market has been growing owing primarily due to price increases and to some extent a movement from economy brands to brands that are mid-priced or premium priced *(see Table 5.4 2b for category drivers)*. The Indian bar soap market has a large number of players that use different appeals to connect with their consumers. The market can be classified into about ten different appeals such as Beauty, Health, Fairness, Freshness, Herbal, etc. While the market is dominated by beauty players (52% share), health platform constitutes approximately 23% of the total market.

Dettol Soap was launched in India in the early 80s. The launch was based on consumer feedback on Dettol Antiseptic Liquid, where secondary usage of the product always came up. Since many consumers used Dettol in their bath water, the company thought of offering Dettol in a more convenient form of soap.

Dettol Original was the launch soap, which initially found limited acceptance from consumers. Its sales picked up after a changed positioning *(please refer 'Communication' section for details)*. By 2000, it saw limited success but its market share had started stagnating. Research on brand equity revealed that while Dettol's equity remained very strong on 'germ protection', the product's relevance in the consumer's choice for a bathing soap was getting limited. It was also gathered in the consumer research that while loyalists loved Dettol soap for its trademark fragrance, it was being rejected by a big chunk of consumers as a regular bathing soap bar.

The brand team felt a need to launch variants in Dettol Soap given that sensorial measures like fragrance, moisturized soft skin, etc were key drivers when it came to consumers choosing their soap brands. Dettol Skincare soap was thus launched in January 2004 - A white collared soap, offering Dettol's protection with moisturizers to nourish the skin. This was followed by the third variant – Dettol Cool in February 2006, which offered trusted Dettol protection with menthol to help feel refreshed and revitalized.

Dettol occupies a 4.9% share *(Full year 2007)* in this market. Its major competitors are Lifebuoy, Lux, Santoor, Savlon, Godrej No 1, etc. The stronghold and dominance of these brands and their distribution, varies across regions and urban and rural markets. While some brands are strong across the market, others have their strongholds in only some of the regions in the country.

Dettol variants have contributed incrementally to Dettol soap sales and now make up about 25% of total Dettol soap sales. However, given its heritage and years of existence, Dettol Original Soap continues to be the lead variant, and top of mind when it came to Dettol Soaps.

To suit the needs of different consumers, Dettol and its competitors are available in different pack sizes and combo-pack offers.

Pricing also plays a big role in this market that can be segmented as economy, mid-price and premium. Each player is present in different sizes, and hence tries to straddle different pick up prices.

Dettol soap has a premium price versus other key players in the market. This has limited Dettol penetration in the lower end of the market. To overcome pricing barrier, small pack was launched in 2007, priced at Rs. 6. This helped in gaining further share.

Household penetration and consumer preferences towards Dettol vary across regions and seasons.

**Key Players in the soap market**

**Lifebuoy:** Post a major positioning change in 2002 from "male victorious health" to "family health" in the bar soap market, Lifebuoy re launched itself in March 2004 with improved product and new claim of '100% better germ protection*', and since then has been trying to make strong its equity on germ protection through various communication and new product launches. In February 2005, Lifebuoy has launched a new campaign adding a layer of social good in its communication with a tagline of "Have no Fear". In November 2007, another new ad was launched comparing vs. beauty soaps in general.

**Lux:** It re-launched itself in 2004, with better packaging graphics and upgraded variants in line with the global range. It was highly visible on-air with a range of Aishwarya Rai copies. Post decline of share in early 2005, Lux launched a new campaign in Sep 2005 with Shahrukh Khan and four prominent film actresses to commemorate 75 years of Lux, via special Promo packs & new pack graphics. In Feb 2007, it again launched a new campaign, 'Surat bhi, Khoobsurat bhi'. It launched new variant copies in Q2, 2008 (Peach cream & Strawberry cream) offering fruit based skin care.

**Santoor:** It comes up with regular renewal of its copies (one every year) communicating 'skin that looks younger than its age' proposition. It launched a new white variant in September 2007.

**Savlon:** In the soap category, it is positioned on the 'Gentle Protection' proposition. Its share has remained flat at 0.6% over the years.

**Godrej No. 1:** It has had a very low-key TV activity, relying mostly on regional print in select states. It frequently airs advertisement featuring popular soap-star 'Jassi'.

**Dettol's Communication:** Dettol Original soap was launched on the platform of 'Mild and gentle skin care' with the selling proposition as – "Give your family the loving care of Dettol Soap". However, the brand failed to take off since a mild soap from the Dettol stable did not make sense. Even after two years of launch, Dettol soap could not make its presence felt.

In mid 80s, an exhaustive consumer research was undertaken with the objective of finding reasons for dissatisfaction among consumer and the result was the understanding that a consumer need platform has to be built for a special bathing soap based on Dettol's core strengths and not on the mild and gentle skincare platform.

After in-depth consumer research, it was seen that consumers were open to the idea of using Dettol Soap when they faced extreme dirt conditions. Hence, it was felt that Dettol Soap needs to be positioned for occasions that are special, but not rare in everyday life. These could be based on exposure to dirt and germs, pollution, heat, sweat etc.

Another challenge was to create a positioning that managed a fine balance between a cosmetic and therapeutic medicated position. The final positioning that was decided was:

"Dettol protection comes to you and your family in the form of soap for those daily occasions when an especially clean germicidal bath is necessary. WHEN NO ORDINARY BATH WILL DO – DETTOL SOAP – THE 100% BATH"

The advertising was thus developed along these lines and Dettol Soap was re-launched. The advertising clicked with the consumer. Dettol soap sales reacted very positively to this new communication. Dettol sales grew year after year, with communication being renewed periodically to keep consumer interest in the brand promise alive.

Over the years, the communication was moved along this gradient of educating consumers, on how they pick up germs throughout the day and only Dettol soap can give the required protection every day. Research showed that there was huge hand wash usage of the brand and moreover the usage was highly seasonal with highest usage seen in peak summer and monsoon months when consumers felt visibly dirty and hence associated the period with the presence of germs. The result was that while a high number of consumers used Dettol soaps during specific germy situations, they moved out of the brand to the regular soaps in the market once the felt need for germ protection was over.

Moreover, while consumers accepted that germs might be presented, the linkage of germs to the illnesses they cause was limited. In order to address this, a new educative campaign, was launched in 2007 with the objective of driving everyday relevance of Dettol soap. As part of this campaign, seasonal hooks were used to establish germ relevance - summer, monsoon, and winter. Consequences of germ pick up were more explicitly voiced. Dettol soap witnessed a sharp surge in sales with the new advertisement.

**Markets for various categories - The Liquid Handwash Market:** Dettol introduced the Liquid Hand Wash in 1994. It was known that many consumers use Dettol Soap for cleaning hands. Dettol Liquid Soap gave the consumers a soap in a more modern and convenient format for handwash.

In hand washing, the need for germ protection is top most on consumer's mind. Due to its early and continued efforts in building the segment and given the strength of the parent brand Dettol, this segment was historically dominated by Dettol Liquid Hand wash. The size of the liquid hand wash market is relatively small –Rs. 59 Crores by end of 2007.

Although incidence of hand wash in a day is quite high, penetration of liquid handwash is still low in India (estimated as 10% of all Urban House Holds in 2007), bar soaps being typically used for washing hands. The key reasons for low penetration of the category are 'expensive/low value for money'. Amongst users, the motivators are 'protection from germs' followed by 'convenience of use'. Given category building efforts, the penetration has been showing a steady increase.

Dettol's major competitors in this segment are Lifebuoy, Palmolive, Savlon, Santoor, FEM, etc. The segment is broadly split in two formats: i) Dispensing Format: Pump Packs ii) Refilling Formats: Refill sizes (varying from 200ml to 5 liters).

The category evolution has been based on the increasing penetration of the Pump pack over a period of time. The dispensing pack dominated the market with over 60% contribution (2005). Over the last three years, the refill segment has flourished – as regular consumer's re-purchase the refill pack after entering into the segment via the Pump pack. However, the awareness for refill packs is still low. A large base of consumers still re-purchases the Pump pack instead of using a refill pack.

In building the segment, Dettol has played the role of the market leader and the innovator. In 2005, it was the first player to launch the Pouch refill pack. As the market evolved and the Pouch refill segment grew, all the other competitors entered the pouch refill segment in 2007.

Similarly, the latest product innovation offering from Dettol has been the launch of the small pump pack, at a lower pick up price, in the first quarter of 2007.

There are multiple product innovation opportunities from the international stable of Dettol hand wash – which the brand team is evaluating for future launch.

As per consumer research, the number 1 category driver for hand washing has been ‘need for protection from germs’. Additionally, consumers look for product attributes like nice fragrance and softness. Another characteristic of the hand wash market is its disproportional dependence on the Modern distribution channel, i.e. Self-service stores.

Close to 25% of the category business comes from this channel. The self-select environment of the target consumer has multiple implications for the brand. Variants become a key driver for widening the consumer choice set in such a shopping pattern.

Dettol Liquid Hand wash currently has three variants, namely, Original, Skincare and Sensitive. Other players also have multiple variants with Lifebuoy having four and Fem having eight. The liquid hand wash portfolio is sold via all three distribution channels of the company, namely: (a) Modern Trade – self-service channel (b) Direct Distributors in large towns (c) Sub Stockiest network for reach into smaller towns.

The distribution for both category and Dettol Hand Wash has been on a rising curve – with more than three lakh outlets stocking the hand wash segment.

**Players in the Market:**

**Lifebuoy:** It became a serious player in Liquid handwash market in Q3, 2006. Its share went up from 9.3% to 19.8% for the year 2007. Positioned on a ‘protection from germs’ platform it carries the tagline of ‘have no fear’ in the Liquid handwash segment too. Other than Dettol, it is so far the only significant player that invests in the category. With media support and strong promotional support, supporting its re-launch, it has made quick gains in this segment.

**FEM:** Fem, from Ivory chemicals, was historically the key brand in liquid soap category. It used to be the strong number two brand until recently. However, it has lost share heavily since the Lifebuoy Handwash re-launch. The brand is positioned on the platform of ‘soft hands and moisturizing care of Fem’. In 2007, it launched a premium range of products under a sub brand of Fem Cool Angel (three variants, priced at Rs.79/- for 250ml pump pack).

**Palmolive:** Palmolive launched handwash in October 2003 with a premium pricing and imported stocks. In Oct 2006, they dropped prices from Rs. 90/- for 300ml Pump to Rs. 55/- for 250ml Pump. While the brand is supported by promotions mainly in the modern trade, it is not active on air.

**Savlon:** It launched its handwash in March 2005 on the 'gentle protection' platform. It currently has a 2% share. It is not supported on air.

**Santoor:** As a strong player in the bar soaps market and with a high market-share in the South, Santoor launched the Liquid Hand Wash in January 2007, along with media support. Post that, the brand has been off air.

The liquid hand wash category has seen a sharp increase in the competitive environment with new players entering in 2007 and big brands like Lifebuoy getting active. As the liquid handwash category grows, given the usage of single product for hand washing and bathing in many homes, more and more bar soap players are launching liquid handwash. Chandrika & Margo are two such new entrants, but with no strong marketing support, they are yet to make their presence felt.

**Communication:** Dettol hand wash communication has always focused on the core brand positioning of protection from germs. Over the years, the message of need for hand washing and the risk of germs has been highlighted in various daily germ pick up situations.

**Markets for various categories -The Bodywash Market:** Dettol bodywash was launched in 2005 for further penetration into related categories and progression into the urban market. The Body Wash market is a small but fast growing category. Its category size was Rs. 16 Crores in 2007. For the last 3 years, the CAGR has been near 30%. The market is dominated by a few key players namely, Lux Body Wash, Palmolive and Dove.

The current user profile of Body was his upper SECs who reside mainly in Metros. The user profile currently also has a slight female skew and the association of the product usage is with feelings of indulgence and ‘pampering oneself’. The category is considered ‘premium’ due to its high priced products.

Given the size of the market, the support behind the category has been overall at a rather low level. The overall penetration in India is a meager 1%. However, trends in other semi-developed markets show that shower gels clearly the body-wash market of the future. In many developed countries, use of soap is changed to bodywash format (almost to 50%).

Dettol launched its campaign in May’07 ‘Pleasure for the Senses, Protection for the Body’. Currently, Dettol Body Wash is distributed by the company in the top six metros and in the self-service stores only.

**Other Categories**

**Shaving Cream:** Dettol launched its shaving cream in 1996.This has also been another successful extension for the brand. The insight into developing this product came from the use of Dettol Liquid in shaving water.

**Plaster:** Dettol Plaster is an important brand in the basket since it is directly used in first aid and hence adds to the first aid range and core equity of the brand. The major competitor in the category is Band-Aid from Johnson and Johnson. At this point in time, these two segments are not the focus for the team.

**Other initiatives:** One of the key challenges on use of Dettol has been low consumer awareness on germ pick up situations. Recognizing the same, the team is evaluating how hygiene awareness can be increased further. Apart from communication the initiatives that are currently undertaken are:

1. Dettol Surakshit Parivar: An on-ground consumer contact program, where young mothers are educated on good hygiene practices and school children are educated on hand wash habits.

2. Dettol is working with Global Hygiene council, a council working towards increasing hygiene awareness across countries. The results of and recommendations from the studies done are shared through the mass media.

3. Periodic advertorials on good hygiene practices, threat of illnesses, hygiene habits, educational advertorials, etc are some of the other initiatives.

**Looking Ahead**

Brand Dettol's growth trend had been steady over the years. In the last few years, there had been acceleration in its growth, but the team felt that with the right strategies in place, it could leverage the growth momentum it had built in recent past. It was looking forward to finalizing various marketing strategies and initiatives to help it achieve its ambitious objectives.

**Table 5.3 Antiseptic Liquid Market**

| **1a Market Size** | | | |
|---|---|---|---|
| | **2005** | **2006** | **2007** |
| **Market Size Value (Rs Crore)** | 90.1 | 103.3 | 120.2 |
| **Market Size Volume (Kilo Liter)** | 5719 | 6499 | 7339 |
| **1b. Market Shares** | | | |
| **Market Share (Value)** | **2005** | **2006** | **2007** |
| **Dettol** | 86% | 85% | 84% |
| **Savlon** | 13% | 13% | 13% |
| **Suthol** | 0% | 1% | 2% |

| **1c. Pricing for Dettol & Savlon for different sizes in Rs.** | | |
|---|---|---|
| | **Dettol** | **Savlon** |
| **50 ml** | 10.8 | 12.5 |
| **100ml** | 17 | 19.5 |

| **1d. Distribution for Dettol in 2007** | | |
|---|---|---|
| | **Distribution (no of outlets)** | **Volume Off take (Man. Liters)** |
| **All India** | 16,07,669 | 6.43 |
| **Northern Region** | 6,03,245 | 1.29 |
| **Eastern Region** | 3,80,580 | 1.18 |
| **Western Region** | 2,37,720 | 1.40 |
| **Southern Region** | 3,86,126 | 2.56 |

**Table 5.4 Bar Soap Market**

| **2a. Market Size** | | | | |
|---|---|---|---|---|
| | **2004** | **2005** | **2006** | **2007** |
| **Volume(Tons)** | 5,35,217 | 5,37,923 | 5,43,884 | 5,47,215 |
| **Value(Rs crore)** | 5768 | 5921 | 6046 | 6548 |

**2b. Toilet Soap Classification**

| **Classifications** | **2007 Value Share** |
|---|---|
| Baby | 2.8% |
| Beauty | 52.3% |
| Fairness | 0.7% |
| Freshness | 3.4% |
| Hair care | 0.3% |
| Health | 23.3% |
| Herbal | 8.2% |
| Others | 4.3% |
| Skincare | 4.7% |
| | |
| **Total Toilet Soap** | **100.0%** |

*Unless otherwise stated, all data given in the case refers to trade channel tracked by AC Neilson, supplied by Reckitt Benckiser India Ltd.

## 5.3.1.0 Case Study Analysis – '75 Years of Dettol'

### 5.3.1.1 Introduction

Dettol Soap was launched in India in the early 80s. The launch was based on consumer feedback on Dettol Antiseptic Liquid, where secondary usage of the product always came up. Since many consumers used Dettol in their bath water, the company thought of offering Dettol in a more convenient form of soap.

Dettol Original was the launch soap, which initially found limited acceptance from consumers. 2000, it saw limited success but its market share had started stagnating. Research on brand equity revealed that while Dettol's equity remained very strong on 'germ protection', the product's relevance in the consumer's choice for a bathing soap was getting limited. It was also gathered in the consumer research that while loyalists loved Dettol soap for its trademark fragrance, it was being rejected by a big chunk of consumers as a regular bathing soap bar. So company took measures for revitalizing the brand which are been discussed in detail.

### 5.3.1.2 Reasons For Brand Revitalization

- **Low market share:** Dettol Original soap was launched on the platform of 'Mild and gentle skin care' with the selling proposition as – "Give your family the loving care of Dettol Soap". However, the brand failed to take off since a mild soap from the Dettol stable did not make sense. Even after two years of launch, Dettol soap could not make its presence felt.

- **New product was not accepted:** The new product from the brand was Dettol soap was not accepted by the consumers. After in-depth consumer research, it was seen that consumers were open to the idea of using Dettol Soap when they faced extreme dirt conditions. Hence, it was felt that Dettol Soap needs to be positioned for occasions that are special, but not rare in everyday life. These could be based on exposure to dirt and germs, pollution, heat, sweat etc.

- **Stagnant market share:** Although the brand was number one brand in its core area i.e. medical usage but the soap market share of the brand was not increasing. The Bar Soap Market in India is worth Rs. 6550 Crores. With a 100% penetration, the soap market has been volumetrically stagnant in the last few years. However, value wise, the market has been growing owing primarily due to price increases and to some extent a movement from economy brands to brands that are mid-priced or premium priced.

### 5.3.1.3Strategies For Brand Revitalization

- **Associate brand with the relevant goals:** In mid 80s, an exhaustive consumer research was undertaken with the objective of finding reasons for dissatisfaction among consumer and the result was the understanding that a consumer need platform has to be built for a special bathing soap based on Dettol's core strengths and not on the mild and gentle skincare platform. Hence, brand was repositioned by associating it with new goal which was: "Dettol protection comes to you and your family in the form of soap for those daily occasions when an especially clean germicidal bath is necessary. WHEN NO ORDINARY BATH WILL DO – DETTOL SOAP – THE 100% BATH".

  The advertising was thus developed along these lines and Dettol Soap was re-launched. The advertising clicked with the consumer. Dettol soap sales reacted very positively to this new communication. Dettol sales grew year after year, with communication being renewed periodically to keep consumer interest in the brand promise alive.

- **Brand extensions and sub-brands:** The brand team felt a need to launch variants in Dettol Soap given that sensorial measures like fragrance, moisturized soft skin, etc were key drivers when it came to consumers choosing their soap brands. Dettol Skincare soap was thus launched in January 2004. A white collared soap, offering Dettol's protection with moisturizers to nourish the skin. This was followed by the third variant – Dettol Cool in February 2006, which offered trusted Dettol protection with menthol to help feel refreshed and revitalized.

Dettol occupies a 4.9% share (Full year 2007) in this market. Its major competitors are Lifebuoy, Lux, Santoor, Savlon, Godrej No 1, etc. The stronghold and dominance of these brands and their distribution, varies across regions and urban and rural markets.

Dettol variants have contributed incrementally to Dettol soap sales and now make up about 25% of total Dettol soap sales. However, given its heritage and years of existence, Dettol Original Soap continues to be the lead variant, and top of mind when it came to Dettol Soaps.

- **Identifying new and completely different ways to use the brand:** Dettol introduced the Liquid Hand Wash in 1994. It was known that many consumers use Dettol Soap for cleaning hands. Dettol Liquid Soap gave the consumers a soap in a more modern and convenient format for handwash. In hand washing, the need for germ protection is top most on consumer's mind. Due to its early and continued efforts in building the segment and given the strength of the parent brand Dettol, this segment was historically dominated by Dettol Liquid Hand wash.

  The size of the liquid hand wash market is relatively small –Rs. 59 Crores by end of 2007. Although incidence of hand wash in a day is quite high penetration of liquid handwash is still low in India (estimated as 10% of all Urban House Holds in 2007), bar soaps being typically used for washing hands. The key reasons for low penetration of the category are 'expensive/low value for money'. Amongst users, the motivators are 'protection from germs' followed by 'convenience of use'. Given category building efforts, the penetration has been showing a steady increase. The category evolution has been based on the increasing penetration of the Pump pack over a period of time. The dispensing pack dominated the market with over 60% contribution (2005). Over the last three years, the refill segment has flourished – as regular consumers re-purchase the refill pack after entering into the segment via the Pump pack. However, the awareness for refill packs is still low. A large base of consumers still re-purchases the Pump pack instead of using a refill pack. In building the segment, Dettol has played the role of the market leader and the innovator. In 2005, it was the first player to launch the Pouch refill pack. As the market evolved and the Pouch refill segment grew, all the other competitors entered the pouch refill segment in 2007.

- **New distribution outlets:** Dettol Liquid Hand wash currently has three variants, namely, Original, Skincare and Sensitive. Other players also have multiple variants with Lifebuoy having four and Fem having eight.

  The liquid hand wash portfolio is sold via all three distribution channels of the company, namely:

  - Modern Trade – self-service channel
  - Direct Distributors in large towns
  - Sub Stockiest network for reach into smaller towns.

  The distribution for both category and Dettol Hand Wash has been on a rising curve – with more than three lakhs outlets stocking the hand wash segment.

### 5.3.1.4 Parameters Of Mature Brand For Brand Revitalization

- **Product quality updated:** As per the case study the product quality of its soap was updated when the customer refused to accept it as mild and gentle soap for the skin.

- **Wide distribution network:** Reckitt Benckiser India Ltd (RBIL) manufactures and markets a wide range of products in Personal care, Pest control, Shoe care, Antiseptics, Surface care, Fabric care and other categories. Amongst its many well known brands are Dettol, Mortein, Harpic, Cherry Blossom, Lizol, Disprin, Robin powder, Colin, etc. Most of these brands are either number 1 or number 2 in their respective categories in India. RBIL distributes all its products through its common distribution channel, which has a wide and deep reach in the markets and is a key strength of the company. The channel is managed by a well structured sales force, responsible for achieving sales for the entire product portfolio of more than 150 Stock Keeping Units (SKUs).

- **Long held heritage:** For almost the first 50 years, Dettol was present only as an antiseptic liquid. Although it was being used in hospitals and nursing homes for first aid and disinfectant uses like cleaning wards, washing linen, etc. Consumers were also using it for bathing, mopping, shaving and other secondary purposes. In year 2008 the Dettol brand had completed its 75 years.

- **A distinct point-of-differentiation:** The brand had following distinct points of differentiation: First Dettol Antiseptic Liquid has some strong, distinct associations first and foremost is its trademark smell. The second characteristic is its amber gold colour. The third is the 'clouding' effect that appears when it is added to water.

  Fourth Dettol's packaging is distinct in its very own way. The green & white colours are associated with hospitals. All Dettol products have a sword on the pack, which is a symbol for fighting germs and infection. Over the years, the clouding action and the sword have become synonymous with the brand and have been creatively used in Dettol advertising.

- **Focused management with resources:** The brand has the separate marketing which reviews the performance of the brand on regular basis and takes steps accordingly. Also they plan the branding activity in advance for the upcoming months.

- **Loyal customer base:** The brand has the well established customer base which is taken care by regular nurturing the customer with add on benefits from the product.

- **Moderate to premium priced:** The brand has wide range of the product under its name which is moderate to premium price which in turn give customers a wide range of the product to choose.

### 5.3.1.5 Conclusion

Brand Dettol’s growth trend had been steady over the years. In the last few years, there had been acceleration in its growth, but the team felt that with the right strategies in place, it could leverage the growth momentum it had built in recent past. It was looking forward to finalizing various marketing strategies and initiatives to help it achieve its ambitious objectives.

## 5.4.0.0 Case Study—‘Makeover of Britannia: A Path Less Travelled’

An old maxim goes, 'Why does something when it isn’t broke?' This may be the credo of most firms, but not of the food major, Britannia Industries Limited (BIL). In 1997, BIL, whose business seemed to be doing well, instead of concentrating on it, virtually charted a new course by seeking to reinvent itself. It built a new corporate identity and adopted a colourful and identifiable logo with a new base line - 'Eat Healthy, Think better.' From being a manufacturer of baked products, BIL kicked off a diversification exercise to become a comprehensive food and beverages company making cheese and other dairy products, in addition to its bakery products.

BIL seemed to be doing something radical by venturing into totally new areas, while this puzzled many, some analysts felt that it was BIL was doing this out of compulsion. They reasoned that the 16% growth rate of BIL sales, which was just 8% in real terms when corrected for inflation, though good by the standards of a mature market, was not good enough for a growing market like India, especially in the foods segment.

Others felt that BIL's makeover decision may have been influenced by the threat of potential competition. They also felt that with the organized biscuit market in India being commoditized, and the major chunk being controlled by the unbranded segment, reliance on biscuits alone could be detrimental to its long-term interests.

However, some analysts were of the opinion that the diversification of BIL into relatively new areas was risky, and that it should have concentrated on its core competence, the biscuit business. By the end of 2000 the exploits of BIL seemed to have fructified, at least in the short-run. In a survey conducted by A&M1, BIL emerged as the number one food company well ahead of competitive brands like Nestle and Cadbury. BIL's dairy business seemed to be doing reasonably well.

In the cheese segment it stood second with about 35% market share. In the bakery segment also it was doing well, with its biscuits business making significant inroads. Its positioning plank, 'Eat Healthy, Think Better' also seemed to have struck the right chord with its customers. Said Sunil Alagh (Alagh) "Our brand today represents family trust, quality with a contemporary, youthful image."

**'Food for Thought':** BIL, since its inception had been mainly involved in the manufacture of biscuits, which contributed around 85% of its revenues (1997). The biggest problem then, for the 80-year-old BIL was that its name was strongly associated by customers with biscuits (or more broadly bakery products). With the de-reservation of biscuits from the small sector and commoditization of the Rs 3500 crore biscuit market, coupled with cutthroat competition after the entry of multinationals and stagnating net profits, BIL looked for a fresher approach to survive and prosper.

BIL realized that it would have to scale up its marketing strategy in its main line of business and in addition tap new food categories to grow. One reason why BIL seemed to have woken late was that the company didn't have a proper parent until the French food and beverages major, Danone, acquired RJR Nabisco's holding in the company2. BIL seemed to have realized that the time had come to change the rules of the game. It crafted a makeover plan to diversify into new but related areas, and at the same time consolidate and improve its core business, biscuits. By doing so BIL hoped to remain the market leader in biscuits and become a major player in related businesses also.

**Donning a New Look:** As a first step in its makeover plan, BIL hired a Paris based design studio- Shining Strategic design, to craft a new logo and corporate slogan. Its work involved understanding the perceived and potential value of the brand where everything from colours and symbols to the typeface, was evaluated. The work also involved looking at the potential of the market and seeing where BIL could venture in future.

Research showed that the brand 'Britannia' was synonymous with trust and quality, and the wide portfolio of products was seen as a source of strength. But, BIL was aiming at faster growth, by expanding its business within the bakery segment and in select synergistic areas.

Consumer research conducted with these specific objectives in mind, brought to the fore two key issues: 1. Although the brand had tremendous strength associated with it, it needed to communicate modernity strongly. 2. It needed to assure the customers that apart from being a trusted and a familiar brand, it was also a contemporary one, and changed with the times.

The fact that the existing brand was too closely associated with the bakery business could have been a hindrance to BIL's diversification efforts. Therefore, Britannia needed a more dynamic expression. So there was a need to restage the logo, with the twin objectives of communicating modernity and dynamism.

While developing the new logo and brand statement, the existing red and white shield like unit was retained with a modern rendition. The new corporate identity had three colours red (symbolizing energy and vitality), green (nutrition and freshness) and white (purity) which collectively represented what consumers looked for in foods and beverage. Research had shown that the brand statement, Eat Healthy, Think Better, captured the essence of the Indian concept of the unity of body and mind.

During the developmental process, care had to be taken to ensure that there was adequate representation of all social economic strata in urban and rural India, for 'Britannia' as a brand, cut across a cross-section of consumers. The red wave communicated the dynamic and energetic movement of BIL. Analysts felt that the redesigned shield made BIL powerful and was the identifying stroke that communicated the innovation and futuristic power of BIL and that the redesigned typography made BIL very contemporary and less industrial. The roundness communicated the value of nature Eat Healthy, Think Better.

The concept communicated perfectly BIL's potential value from physical to mental benefits. Said Alagh, “The new corporate identity will testify to the implicit (good) quality of all our products and all our products and colours stand for things we look for in all foods and beverages..."

**The Balancing Act:** For BIL, the new identity, laid the base to project its future as a successful food company- a company that provided high quality and tasty, yet healthy foods and beverages. Analysts felt that BIL seemed to have realized that its customers weren't really buying biscuits; they were buying health, nutrition, and food.

If it was nutrition, not biscuits, that the customer was buying when he bought Britannia, BIL could easily extend the brand to other markets where the customer looked for nutrition in every purchase. It was a repositioning that did not have any intrinsic boundaries and BIL, by taking a heath platform could enter other markets.

Said Alagh, " A key reason for re-engineering the brand was not only to make it more robust and contemporary but also stretchable."4 With the new identity in place, the next step in BIL makeover plan was embodied in a two-pronged agenda: to bolster BIL's strength in biscuits and to reduce its dependence on biscuits.

As a part of its makeover plan, BIL reinforced its strength in biscuits (and more broadly Bakery business) by seeking to consolidate and improve its leadership position using aggressive marketing strategies. Said Alagh, "The bakery business is our pillar and we want to strengthen that first."

To ensure that the core business was not sidelined, BIL brought about changes in the management structure until that there were two clear divisions: **Bakery and Dairy-each operating as independent profit centers**. To meet the objective of bolstering its bakery business, BIL re-positioned each one of its biscuit brands on a new platform and ensured that each brand had a base statement making clear the 'higher order benefits' of the brand. BIL used combinations of price and appeal to straddle every segment of the market, challenging all levels of competition.

BIL had structured a wide range of price-points: from Re 1 for a sachet of Tidbits to Rs 12 for a pack of 10 Good Day Pista Badam cookies, to Rs 15 for a 100 gm pack of Cheezlets. Likewise, BIL had straddled the spectrum of segments with different product-benefits, all of which only reinforced the mother brand's new platform. In regard to brand building, BIL followed the strategy of 'brand clustering'. The strategy was to let 'Britannia' remain the mother brand under which a cluster of sub-brands would be present for specific product categories.

While the umbrella brand would act a guarantee for the consumers, the sub-brand was used to give focus and distinct images for its new product categories and businesses to get economies from brand building. (Refer TABLE II) Analysts felt that a company like BIL, which wished to cater to a varied customer-base, needed to possess a large portfolio of brands, with different USPs, positioned at different price-points, yet unified under a uniquely differentiated mother brand.

With this in view, BIL revamped its biscuit business. At the low-end price-point, was the 'Tiger' brand, a "calcium-enriched" glucose biscuit launched in 1997, which acted as the umbrella brand for the mass market. Until then, BIL had focused on the middle and premium segments of the biscuit market, leaving Parle's Parle G to rule the mass market.

With the mass segment accounting for half of the unorganized market, it seemed strategically important for BIL to make inroads into the same.

Therefore, as a part of its new plan to attack the mass market, BIL launched the 'Tiger' brand and positioned it as a 'health force biscuit' as consumer research showed that good health was the overwhelming consideration when mothers chose snacks for their children. Analysts felt that since Glucose had become a generic brand, BIL by establishing a new brand was clearly differentiating its Glucose biscuits from others.

The 'Tiger' brand eventually seemed to have been a huge success with its products, Tiger Glucose (Rs 5 for a 100-gm pack) and Tiger Cashew Badam (Rs 6 for 75 gm) together, achieving within a year of their launch a turnover of Rs 100 crore and a market share of, 30% in the glucose biscuits segment. BIL then focused on its core biscuit brands- Marie, Thin Arrowroot, and Milk Bikis-which faced competition from similarly branded alternatives like Bakeman's English Marie, Milka Biscuits, and Priya Marie. In order to overcome the competition, BIL differentiated its brands by bringing them under the 'Eat Healthy, Think Better' banner and giving them clearly-defined positioning.

For Milk Bikis, targeted at children, BIL launched variants like Milk Bikis Funland, which were animal-shaped biscuits. Marie was renamed Marie Gold, and positioned as a tea-time biscuit. Thin Arrowroot was renamed Jacob's Thin, with its position as the low-calorie health biscuit reinstated. In 1999, BIL re-launched its low-calorie, high-nutrition brands-Thinlite, Cream Cracker, and Digestive under the Nutrichoice umbrella, targeting the fast-growing health-conscious segment. BIL seemed to be quick in gauging the rising demand for products in the impulse category of snacks (e.g. chips and chocolates).

Accordingly, BIL came up with trendier products like Little Hearts, Pure Magic, and Chekkers, targeting the under-24 urban consumer, positioning them with statements they identified with. For example 'Direct Dil Se' for Little Hearts, 'Full Of Taste And Fun' for Pure Magic, and 'For The Ups And Downs In Life' for Chekkers. In 1999, BIL had launched Snax, a line of ethnic snack foods using low-fat oils and hygienic processes, in 3 variants: Calcutta Ka Chana Choor, Bikaner Ka Bhujiya, and Rajasthan Ka Aloo Bhujiya, with an eye on the almost Rs 1800 crore snack market in India.

In the segment of 'breads' which contributed about 6% of the company's total revenues, BIL's presence was restricted to a few cities. In the face of increasing competition, it decided to strengthen its bread business in the southern states and was seriously looking for acquisitions and manufacturing tie-ups in that region. It also planned to leverage the key strength of the daily distribution system of its bread business in its new ventures like milk. With a view to boosting volumes, BIL also changed its packaging strategy by launching biscuits in small sachets.

It launched the low-priced sachets, 'Tiger Tikis-nibblets' priced at Re 1-targetting the mass market. BIL simultaneously revamped its distribution channels, increasing its retail distribution network to more than 1.20 million outlets. To increase penetration, more than half of the new outlets serviced, were in the rural and semi-urban markets-a break from the past, when BIL's distribution was distinctly skewed towards urban India.

As part of its strategy to reduce its dependence on biscuits, BIL sought to diversify its product portfolio to include categories that fitted within its overall objective of transforming itself into a food company. BIL targeted segments where it had the potential of capturing either the number one or number two position. Said Alagh, " I am not into pioneering new eating habits. On the contrary, we want to capture the essence of the Indian consumer.

So we will be entering only those areas which will form part of the daily eating habits of an Indian home and offer either high volume or high value." Analysts felt that what BIL had done was to build on the company's already successful brand. With the basic motto of 'eat the BIL product you like, but eat,' the company provided the consumer with an option at all times of consumption (other than the main meals of lunch and dinner).

The underlying philosophy was to provide 'tasty yet healthy' snacks that one could eat and drink throughout the day, in short, a product for each occasion and for every consumer. BIL saw an opportunity in the dairy segment as it had only one large player, Amul. Its strategy was to build on the strong affinity that Indian consumers had for milk and milk products in its diary venture. BIL wanted to do in dairy products what it has done in biscuits: cover all segments.

Said Alagh, "As with other large markets, we will seek to segment the market for dairy products too. This could mean that our portfolio will include premium brands, with a high degree of value-addition, as well as popular-priced brands that could add critical mass." BIL entered the dairy segment in 1997 with cheese and milk powder or dairy whiteners. By 2000, BIL captured about 35% of market share of the cheese market and 20% in the dairy whitener segment. It launched butter in 1998, flavored milk, sub-branded 'zipsip' in tetra packs in 1999 and ghee in February 2000. The company re-launched its entire dairy business in late April 2000 by bringing it under the 'Milkman' name. The pricing, communication, package, design had all been revamped.

The word 'flavored' was dropped from the milk range, as research had shown that in India, the word 'flavored,' connoted 'artificial' to consumers. BIL's diversification reflected its parent, Danone's portfolio. Ever since it got control of BIL, Danone had been providing it technology in biscuits and pastries. Danone's biggest business, dairy products, was the driving force for BIL's diversification. However, dairy products accounted for a meager 9% of BIL's turnover. But BIL hoped that was going to change. Said Alagh, "In the next 3 years, we expect new businesses to contribute about a quarter of our turnover."

**The Road Ahead:** BIL's makeover plan seemed to have worked well. The sales increased from Rs 752.3 crore in 1996-97 to Rs. 1169 crore in 1999-00 and net profits increased almost 4 times since 1996-97. Although BIL's biscuit business seemed to have done well, its diversification into dairy segments did not seem to be an unqualified success.

Analysts observed that the value-added dairy market which BIL had targeted was a minuscule 0.10 per cent of the market. While the size of the cheese market was a mere Rs 140 crore, it was growing at 20 per cent per annum. The Rs 400-crore butter market was growing at 10 per cent a year, and Amul-the only national butter brand-had an 85% share. The Rs 350-crore dairy-whitener market was growing at 10% a year, but large brands like GCMMF's Amulya (market share: 45%), Nestle's Everyday (32%), and HLL's Milkana (14 %) dominated it.

Analysts felt that for BIL, using brand equity alone to break into competitors' domain may not be that easy. BIL had to make sure that the products it made were acceptable to Indian tastes. The mere fact that a product in its parent, Danone's portfolio was successful abroad was no guarantee that it would succeed in India. The best example, analysts pointed out, was that of 'Mini roule,' a Swiss roll from Danone, which failed to take off, in India.

BIL, however seemed to believe that its core competence was foods, and that by going into dairy products, it was not moving from its original focus. BIL also believed that its makeover plan had worked well, and that this was reflected in the remarkable improvement in profits. Accordingly it set ambitious targets for the future. Said Alagh, "Our vision is to make every third Indian a Britannia consumer within the next three years ...We want to be part of our consumer- at home, out of home, a natural part of his life. Consume the product of your choice, but consume Britannia."

## 5.4.1.0 Case Study Analysis -- 'Makeover of Britannia: A Path Less Travelled'

### 5.4.1.1 Introduction

Britannia case study is for the period from 1996-2000. Eighty year old brand wanted to reposition its image in India which was perceived as bakery product company. The case study deals with how corporation changed its image and was able to increase its market share both in biscuit and dairy industry.

### 5.4.1.2 Reasons For Brand Revitalization

- **Increase market share:** Britannia wanted to increase its market share in India one of the biggest market for any MNC.

- **Change the brand image:** BIL, since its inception had been mainly involved in the manufacture of biscuits, which contributed around 85% of its revenues (1997). The biggest problem then, for the 80-year-old BIL was that its name was strongly associated by customers with biscuits (or more broadly bakery products). With the de-reservation of biscuits from the small sector and commoditization of the Rs 3500 crore biscuit market, coupled with cutthroat competition after the entry of multinationals and stagnating net profits, BIL looked for a fresher approach to survive and prosper.

- **Competition threat:** BIL's makeover decision may have been influenced by the threat of potential competition. They also felt that with the organized biscuit market in India being commoditized, and the major chunk being controlled by the unbranded segment, reliance on biscuits alone could be detrimental to its long-term interests.

## 5.4.1.3 Strategies For Brand Revitalization

- **Changing brand logo:** Research showed that the brand 'Britannia' was synonymous with trust and quality, and the wide portfolio of products was seen as a source of strength. But, BIL was aiming at faster growth, by expanding its business within the bakery segment and in select synergistic areas. So there was a need to restage the logo, with the twin objectives of communicating modernity and dynamism.

  While developing the new logo and brand statement, the existing red and white shield like unit was retained with a modern rendition. The new corporate identity had three colours red (symbolizing energy and vitality), green (nutrition and freshness) and white (purity) which collectively represented what consumers looked for in foods and beverage. Research had shown that the brand statement, Eat Healthy, Think Better, captured the essence of the Indian concept of the unity of body and mind.

  During the developmental process, care had to be taken to ensure that there was adequate representation of all social economic strata in urban and rural India, for 'Britannia' as a brand, cut across a cross-section of consumers. The red wave communicated the dynamic and energetic movement of BIL. The roundness communicated the value of nature Eat Healthy, Think Better.

  **Decrease perceived price per unit**: BIL had structured a wide range of price-points: from Re 1 for a sachet of Tidbits to Rs 12 for a pack of 10 Good Day Pista Badam cookies, to Rs 15 for a 100 gm pack of Cheezlets. Likewise, BIL had straddled the spectrum of segments with different product-benefits, all of which only reinforced the mother brand's new platform. In regard to brand building, BIL followed the strategy of 'brand clustering'. The strategy was to let 'Britannia' remain the mother brand under which a cluster of sub-brands would be present for specific product categories.

- **Brand and sub- brands:** At the low-end price-point, was the 'Tiger' brand, a "calcium-enriched" glucose biscuit launched in 1997, which acted as the umbrella brand for the mass market.

  BIL then focused on its core biscuit brands- Marie, Thin Arrowroot, and Milk Bikis-which faced competition from similarly branded alternatives like Bakeman's English Marie, Milka Biscuits, and Priya Marie. In order to overcome the competition, BIL differentiated its brands by bringing them under the 'Eat Healthy, Think Better' banner and giving them clearly-defined positioning.

  Milk Bikis, targeted at children, BIL launched variants like Milk Bikis Funland, which were animal-shaped biscuits.

  Marie was renamed Marie Gold, and positioned as a tea-time biscuit. Thin Arrowroot was renamed Jacob's Thin, with its position as the low-calorie health biscuit reinstated.

  BIL re-launched its low-calorie, high-nutrition brands-Thinlite, Cream Cracker, and Digestive under the Nutri choice umbrella, targeting the fast-growing health-conscious segment.

  BIL came up with trendier products like Little Hearts, Pure Magic, and Chekkers, targeting the under-24 urban consumer, positioning them with statements they identified with. For example 'Direct Dil Se' for Little Hearts, 'Full Of Taste And Fun' for Pure Magic, and 'For The Ups And Downs In Life' for Chekkers.

- **Identifying neglected segments:** In 1999, BIL had launched Snax, a line of ethnic snack foods using low-fat oils and hygienic processes, in 3 variants:

Calcutta Ka Chana Choor, Bikaner Ka Bhujiya, and Rajasthan Ka Aloo Bhujiya, with an eye on the almost Rs 1800 crore snack market in India.

In the segment of 'breads' which contributed about 6% of the company's total revenues, BIL's presence was restricted to a few cities. In the face of increasing competition, it decided to strengthen its bread business in the southern states and was seriously looking for acquisitions and manufacturing tie-ups in that region. It also planned to leverage the key strength of the daily distribution system of its bread business in its new ventures like milk. With a view to boosting volumes, BIL also changed its packaging strategy by launching biscuits in small sachets.

- **New distribution outlets:** To increase penetration, more than half of the new outlets serviced, were in the rural and semi-urban markets-a break from the past, when BIL's distribution was distinctly skewed towards urban India.

## 5.4.1.4 Parameters of Mature Brand for Brand Revitalization

- **Product quality updated:** As per the case study Britannia up graded its product quality by giving wide range of product offering under its umbrella brand 'Britannia'.

- **A distinct point-of-differentiation:** The brand was perceived as the bakery product brand of high quality, taste and healthy beverages.

- **Moderate to premium priced:** The company had launched range of products from moderate to premium price to cover the huge Indian market.

- **Focused management with resources:** The firm has focused managed with resources which constantly keep an eye on the market and nurture the brand as per the changes in the market.

- **Wide distribution network:** They had wide distribution network which consists of distributors, retailers, grocery and malls.

- **Long-held heritage:** The brand is more than eighty year old brand.

### 5.4.1.5 Conclusion

Analysts felt that the challenge for BIL lay, in continuing to remain aggressive and in evolving to meet the needs of dynamic markets of the new millennium. If BIL was to achieve the objective it had set for itself, it had to continuously strive to deliver products with value that exceeded consumers' expectation. BIL's gamble and its long-run success would ultimately depend on whether consumers liked the new products it introduced in the market or not.

## 5.5.0.0 Case Study- ‘Cadbury Repositioning: A Case Study’

**Introduction:** Cadbury Ireland is a subsidiary of Cadbury-Schweppes plc, a global leader in the manufacture of confectionery and beverage products. Cadbury Ireland was set up in 1932 and today has three production plants, in Coo lock and Dun Laoghaire in Dublin and Rathmore, Co. Kerry. More than 200 products are exported from Ireland to 30 countries around the world, contributing over €110m to Irish trade. The distinctive taste of Cadbury Ireland’s products is due to the use of local ingredients and the company is one of the largest users of indigenous Irish materials.

**Cadbury Snack:** The Cadbury Snack range was launched in the 1950s in Ireland. The range consists of three main products:

- Snack Wafer in distinctive pink packaging
- Snack Shortcake in distinctive yellow packaging
- Snack Sandwich in distinctive purple packaging

The Snack range is the third biggest confectionery brand in Ireland accounting for over €22m of Cadbury retail sales. The fact that the Snack range still commands such a strong market presence over 50 years later is testament to the strong management both of the brand itself and its product life cycle.

**Repositioning Snack:** Since its launch in the 1950s Cadbury Snack has enjoyed great popularity and has always been one of the leading confectionery brands in the country. The Snack range of products was positioned as traditional tea break accompaniments. This strategy proved successful as market research shows Snack products are perceived as "honest, friendly, trustworthy and sociable", "fun", "light-hearted" and "part of who we are". These are very important values for any brand. These values were not being communicated to consumers in an engaging way. Market research showed that while the brand was held in great affection, the level of identification with the brand was weakening. Furthermore, research identified that consumer loyalty ratings for the Snack brand were low at 2%. In contrast the Dairy Milk brand has loyalty ratings of over 30%. The Snack brand had become perceived as the product for "an older, settled person". Something had to be done to make Snack more appealing to the critical younger market. Cadbury decided to reposition the brand.

**Identifying The Target Market:** The Snack brand was already popular with the older age group and with children, however, Cadbury identified younger adult consumers as particularly important to target. This group is a link between young and old. They will purchase for their children and in the future become the older generation. The key target group which emerged was male and female career builders, aged between 25 and 35 years. This group is still having fun, but also at a stage where they are starting to settle down and assume responsibility. They work hard, often long hours with long commutes. For this group it is important to also have an outlet for a chat and a laugh with friends, both inside and outside the workplace.

**Repositioning Strategy:** In order to reach this new and younger target market the Snack range had to undergo a refreshment strategy whereby all packaging, marketing communications and point of sale (POS) displays were updated. The repositioned Snack should stand for playfulness, sharing and "nibbling while you natters".

**Packaging:** Packaging was made more light-hearted and playful. The design now includes a mantle of purple on the edges, depicting that the products are part of the Cadbury Master brand. The Cadbury logo and "swirl" also underline the master brand credentials. The Snack logo has been updated to have more contemporary appeal. The product shots have been updated to appear more appetizing. On each product the back drop colour has been retained with Snack Wafer staying pink, Snack Shortcake staying yellow and Snack Sandwich staying purple (a lighter shade than the Cadbury purple). However, the shades are stronger and more modern.

The effect of the redesign is to link the three products into a range or family of their own. Just as with Cadbury Dairy Milk, Cadbury Snack is set to become the next Cadbury mega brand. Research shows that young consumers in particular are impressed, as can be seen in the figure above.

**Communicating The New Positioning:** Marketing communications play a key role in repositioning as this is where images and perceptions are formed in the consumer's mind. A new campaign was devised to contemporize the values of Snack, make it more engaging to the target market and play up the playfulness, friendliness and fun aspect of the new positioning. The objective here is to move Snack to top-of-mind confectionery choice. A TV campaign Snack in the Mouth was run which depicted young professionals in their working environment playing snack-related tricks on each other. The effect was friendly and fun – the kind of ad that people talk about on their coffee break!

**Extending The Snack Family:** The research undertaken about Snack also showed that consumers considered it to be a "foodie" product, i.e. a nice snack which doesn't give rise to any guilt feelings. Snack was identified as being the ideal brand for a healthier product and it was decided to extend the range.

**Snack Cereal:** Snack Cereal was launched in two varieties, Raisin and Hazelnut. This replaced a previous product called Brunch. The new Snack Cereal was again aimed at people on the go, but with emphasis on those who want a healthy but appealing snack. The new Snack Cereal bar was supported by a heavyweight launch campaign including TV ads, outdoor billboards, radio sponsorship and sampling to 300,000 people.

**Other Snack Initiatives:** As part of the repositioning of the Snack range other changes included new pack sizes: Snack Sandwich is now available in 6 and 12 packs for the take-home market and a Snack Treat size variety pack is also available. These new packs also serve to increase the power of the Snack brand in POS displays.

**Repositioning Cadbury Snack: Review**

- Launched over 50 years ago the Snack brand was still popular but was not engaging consumers in a meaningful way.
- Cadbury decided to reposition the brand to target young, hard-working professionals who used quick breaks to catch up with friends and relax during a long working day.
- Snack was repositioned to appeal to this market to become their top-of-mind brand.
- New modern packaging and an advertising campaign altered how the consumers perceive the Snack brand.
- The Snack brand is now being extended to widen its consumer appeal and use (healthy cereal bars can replace breakfast and provide healthy snacks).
- The brand is +5% to date in 2005 versus 2004.

**Conclusion:** Over the last year, the Cadbury Snack brand has moved from being perceived as a snack for "older, settled people" to the snack of choice for fun loving young professionals. This has been made possible not just by new packaging but by a complete repositioning strategy which changed the image of the brand and the perception of who can and should enjoy it.

## 5.5.1.0 Case Study Analysis – 'Cadbury Repositioning: A Case Study'

## 5.5.1.1 Introduction

This case study pertains to the repositioning strategy adopted by Cadbury Ireland, a subsidiary of Cadbury-Schweppes plc, for its product range Cadbury Snack wafer. More than 200 products are exported from Ireland to 30 countries around the world, contributing over €110m to Irish trade. The distinctive taste of Cadbury Ireland's products is due to the use of local ingredients and the company is one of the largest users of indigenous Irish materials.

The Cadbury Snack range was launched in the 1950s in Ireland. The range consists of three main products:

- Snack Wafer in distinctive pink packaging
- Snack Shortcake in distinctive yellow packaging
- Snack Sandwich in distinctive purple packaging

The Snack range is the third biggest confectionery brand in Ireland accounting for over €22m of Cadbury retail sales. The fact that the Snack range still commands such a strong market presence over 50 years later is testament to the strong management both of the brand itself and its product life cycle.

## 5.5.1.2 Reasons For Brand Revitalization

Since its launch in the 1950s Cadbury Snack has enjoyed great popularity and has always been one of the leading confectionery brands in the country. The Snack range of products was positioned as traditional tea break accompaniments. This strategy proved successful as market research shows Snack products are perceived as "honest, friendly, trustworthy and sociable", "fun", "light-hearted" and "part of who we are". These are very important values for any brand. These values were not being communicated to consumers in an engaging way. This presented an opportunity.

Market research showed that while the brand was held in great affection, the level of identification with the brand was weakening. Furthermore, research identified that consumer loyalty ratings for the Snack brand were low at 2%. In contrast the Dairy Milk brand has loyalty ratings of over 30%. The Snack brand had become perceived as the product for "an older, settled person". Something had to be done to make Snack more appealing to the critical younger market. Cadbury decided to reposition the brand.

Thus the repositioning of the brand was required because of following reasons:

1. The brands core values were not being communicated to the target market.
2. Consumer loyalty has gone down to as low as 2%
3. The brand was perceived as the product for “an older and settled person”

## 5.5.1.3 Strategies For Brand Revitalization

- **Balancing new and old target markets:** The Snack brand was already popular with the older age group and with children, however, Cadbury identified younger adult consumers as particularly important to target. This group is a link between young and old. The key target group which emerged was male and female career builders, aged between 25 and 35 years. This group is still having fun, but also at a stage where they are starting to settle down and assume responsibility.

- **Alter packaging to influence usage:** Packaging was made more light-hearted and playful. The design now includes a mantle of purple on the edges, depicting that the products are part of the Cadbury Master brand. The Cadbury logo and "swirl" also underline the master brand credentials. The Snack logo has been updated to have more contemporary appeal. The product shots have been updated to appear more appetizing. On each product the back drop colour has been retained with Snack Wafer staying pink, Snack Shortcake staying yellow and Snack Sandwich staying purple (a lighter shade than the Cadbury purple).

- **Communicating the new position:** A new campaign was devised to contemporize the values of Snack, make it more engaging to the target market and play up the playfulness, friendliness and fun aspect of the new positioning. A TV campaign Snack in the Mouth was run which depicted young professionals in their working environment playing snack-related tricks on each other. The effect was friendly and fun – the kind of ad that people talk about on their coffee break!

- **Encourage category substitution:** The research undertaken about Snack also showed that consumers considered it to be a "foodie" product, i.e. a nice snack which doesn't give rise to any guilt feelings. Snack was identified as being the ideal brand for a healthier product and it was decided to extend the range.

- **Snack cereal:** Snack Cereal was launched in two varieties, Raisin and Hazelnut. This replaced a previous product called Brunch. The new Snack Cereal was again aimed at people on the go, but with emphasis on those who want a healthy but appealing snack. The new Snack Cereal bar was supported by a heavyweight launch campaign including TV ads, outdoor billboards, radio sponsorship and sampling to 300,000 people.

#### 5.5.1.4 Parameters of Mature Brand for Brand Revitalization

- **A distinct point-of-differentiation:** The distinctive taste of Cadbury Ireland's products is due to the use of local ingredients and the company is one of the largest users of indigenous Irish materials.

- **Moderate to premium priced:** The product in its category is moderate as well as premium priced.

- **Focused management with resources:** Once the problem was identified by the management of brand awareness narrowing down they took the measures to revitalize them thru brand repositioning.

- **Wide distribution network:** More than 200 products are exported from Ireland to 30 countries around the world, contributing over €110m to Irish trade. Hence, we can say that company has the strong distribution network abroad also.

- **Loyal customer base:** The brand is more than fifty decade old so they build upon the strong customer base for their product which has been carried forward from generations.

- **Long Held Heritage:** Cadbury Ireland was set up in 1932 have more than 200 products that are exported from Ireland to 30 countries around the world, contributing over €110m to Irish trade.

- **Brand Awareness Has Narrowed:** Market research showed that while the brand was held in great affection, the level of identification with the brand was weakening.

### 5.5.1.5 Conclusion

The Cadbury Snack brand has moved from being perceived as a snack for "older, settled people" to the snack of choice for fun loving young professionals. This has been made possible not just by new packaging but by a complete repositioning strategy which changed the image of the brand and the perception of who can and should enjoy it.

## 5.6.0.0 Case Study -- 'Re-launch of Frooti-The 'Digen Verma' Campaign: Who is Digen Verma'?

"Frooti has always been positioned as a drink for kids. Now, we want to position it as a drink for the youth, especially, the college-going teenagers. We therefore went in for a real life, down-to-earth person, who, like any college student likes to bunk classes, is a good sportsman and is a popular figure in the college, with whom the teenagers can actually associate themselves.'" - Alka Bhonsle, Management Consultant, Parle Agrochemicals.

There was no getting away from him. A poster at a bus stop in Chennai asked, "Will Digen Verma be in the next bus?" Or, when watching a movie; there was bound to be an interruption all of a sudden with a handwritten message saying, 'Digen, your car is being towed'. And, outside in the car park, almost all the cars had stickers on them saying, 'Digen Verma was here.' In many commercial places in metros and even far off places like Shimla, there were footmarks accompanied by the mysterious words 'Digen Verma was here' pasted. There were rumors galore about 'Digen Verma' and his identity. Some thought it was a campaign for the launch of some new fashion label, while others thought Digen Verma he was a philanthropist.

The enigma called 'Digen Verma' was everywhere, in buses, film halls, colleges, cyber cafes and shopping malls. 'JUST who is Digen Verma?' In the 15 days that the campaign lasted in (February 2001), Digen Verma seemed to have become the most talked about faceless name in the country.

The 'Digen Verma' promotion campaign was one of the most interesting and innovative teaser campaigns ever made in India. Designed and executed by Everest Integrated Communications (Everest), it was a series of teaser campaigns launched by Parle Agrochemicals1 for its mango drink Frooti, which aroused the curiosity of the public, especially teenagers.

The campaign seemed to have been successful in evoking tremendous interest. Everyone was curious to know who Digen Verma was, or whether he was just a fictitious character. "Just wait and watch," said Milind Dhaimade (Dhaimade), Creative Director of Everest, the brain behind this entire campaign.

This campaign seemed to be the most cost-effective way of promoting Frooti. Said Prakash Chauhan, Chairman, and Parle Agro: "This has been the most cost-effective mileage we've got for our brand." In terms of consumer engagement, it was a hit too. Said Dhaimande, "The success of the campaign is beyond our wildest dreams."

**'Frooti' Faltering:** 'Frooti' was launched by Parle Agro in 1984. It was the first tetra pack drink to be introduced in the Indian market. By 2000, Frooti had a majority market share of the Rs. 300 crore tetra pack fruit drink market. However analysts felt that this 16-year-old brand had been losing its appeal over the years. The brand, which scored a 100 on product like ability and quality and a 95 on product recall, had dropped in the top-of-the-mind ranking to 60, from 95 two years ago.

The sales of 'Frooti' also had dropped over the years. The situation worsened with the increase in competition. In addition to the threat it faced from soft drinks marketers, Frooti' witnessed heightened competition in its own segment tetra pack fruit drinks2 and juices. With pressure mounting from all sides, Parle Agro was forced to rethink its strategy. To revive the sagging appeal of the brand, it decided on a major re-launch strategy, which focused on changing its positioning.

The re-launch of 'Frooti' aimed at positioning 'Frooti' as a fun, trendy and modern drink targeted at the youth segment, a marked change from its initial positioning as a drink for kids. Said, BL Venkateshwar, Parle Agro vice-president: "There has been a change in the consumer psychology. Today sub-segments have been created with the 12-15 year olds calling themselves teenagers and 9-12 year olds as pre-teens.

These segments are turning into decision-makers of today with an increase in pocket money. The segment of 16-19 years old is the new impulse category we are targeting." This segment was therefore strategically very important for Parle Agro.

**Campaign Tale:** The youth segment, which 'Frooti' targeted, was extremely difficult to break into partly because of the perception that 'Frooti' was a kid’s drink and partly because of the hold that competitors had already established over the market. By targeting the youth, 'Frooti' would be in direct competition with the Cola MNCs (Pepsi and Coca-Cola) which were immensely popular, not to mention other tetra pack fruit drinks and all the other beverages targeted at the youth.

The re launch strategy for 'Frooti' therefore focused on the one hand on breaking the image which the youth associated 'Frooti' with and on the other on convincing the youth that it was a better alternative than the colas. Said, Prakash Chauhan, MD, Parle, "For some reason, a soft drink in tetra pack is perceived as one meant for children. The re-launch is about stressing on the teenage segment and making our product fun, trendy and modern, just like today's teenager, who is an out-and-out nonconformist."

The creative team of Parle Agro's advertisement agency decided that they had to think of something that appealed to the college-going crowd. To do this, they have to figure out where the typical college goers hung out, what their reference points were, and what would grab their attention. The typical college student hung out at the canteen, fed on small talk, and, invariably, his conversation revolved around celebrities and the handful of star students of his college; and it didn't matter that few had actually met the celebrities.

Said Dhaimande: "So we realized that a lot of socializing and talk always revolved around this one person who someone would know and the rest have only heard about." Thus it was decided that the promotion campaign for repositioning Frooti would revolve around a brand ambassador who would be someone the youth could relate to.

This person had to have the following characteristics if he was to have a mass appeal: one, his name had to be ubiquitous enough; two, he had to lead a life that normal consumers could relate to and three, the storyline had to be powerful enough to sustain interest.

The name 'Digen Verma' was chosen because though it was somewhat unusual, it had a familiar ring to it. The name was well received in southern markets like Kerala, according to a test market research. Said Bhonsle, "We were looking for a national identity, and Verma, as a surname, features in almost all Indian communities. On the other hand, Digen as such doesn't mean anything. One could probably interpret it is as Dig-In."

Once the name Digen Verma was chosen, a personality had to be built around it. He had to some sort of a role model whom the others would want to imitate. Over the years the film stars and cricketers had served as role models to the youth. But Parle Agro, interestingly chose an unknown entity like Digen Verma and not a celebrity like Hrithik Roshan or Sachin Tendulkar to endorse its products. Said Dhaimade, "We want college kids to drink Frooti without any image hassles.”

A celebrity's life is always short-lived. Today, he is there, and tomorrow he is not. This idea came from my own experiences in college. The rule is simple. A popular guy can do what the hell he wants, people follow. A freshman has to be very careful of how he behaves. But, most importantly, there are always 'those guys' - legends you've never seen but have heard so much about. The very fact that you haven't seen them makes them larger than life.

That's how the idea of Digen Verma came into my head." Having decided on the brand ambassador, Parle Agro needed a catchy and creative promotional campaign, which could communicate its intended positioning and differentiate it from its competitors, all within a shoestring budget. Parle Agro rolled out an aggressive multi-media advertising campaign created by Everest across the nation.

The campaign included television commercials (TVCs), outdoor media campaign, offline promotions and online advertising campaigns. The first stage of the campaign was spearheaded by an innovative and creative promotional teaser campaign, built around the brand ambassador 'Digen Verma'. This teaser campaign was aimed at stirring up tremendous interest by building hype over the mysterious character 'Digen Verma,' concealing the association with "Frooti'.

To create such kind of hype, there was a blitz of outdoor ads, promos, and cinema and teaser spots with the name of 'Digen Verma.' Many popular teenage joints such as restaurants, movie theatres, buses and local trains were flooded with catchy posters asking 'Where can you find Digen Verma on Saturday nights?' or 'What is Digen Verma's favourite serial?' etc.

Some of the colleges even had exam banners saying 'Digen Verma will be the topper again' while cinema halls flashed DV slides exhorting him to tow his Ferrari away from the parking lot. For the fortnight that this teaser campaign lasted, mystique, intrigue and high drama cloaked this `faceless' man who becomes a talking point all around the country.

Eventually it was revealed that 'Digen Verma' was the brand ambassador for 'Frooti.' A manhunt was also on to select the right guy to play the role of Digen Verma, who was to be introduced in September 2001. As part of the re-launch strategy, the Frooti tetra pack was given a new packaging.

New `splash' graphics were introduced on the pack in the same signature green and orange colours and a flip top packaging replaced the aperture for a straw. The tagline of 'Frooti' changed to 'Just like that.' Said, Venkateshwar: "A study revealed that while consumers liked Frooti and recalled the brand, they were not drinking it. The reason given most of the time was 'just like that'."

There was thus a need to create some excitement around the brand. With the new tagline "Frooti - Just like that" the new campaign highlighted the new positioning of the product. Prior to the shift, the base line of the advertising for the product was "Juice up your Life" and "Fresh and Juicy."

With the hype generated through the teaser campaign and resultant interest generated, coupled with changes in packaging and tagline, Parle Agro then used regular advertising across various media (viz. Print media, TVC's, on-line promotions etc.) focusing on communication of its new positioning and attract the target segment.

Revealing future plans, Mr Venkateshwar said, "...It is a three-year game plan. Digen Verma cannot be larger than Frooti and the image will taper out at the end of the period." According to Prakash Chauhan, post Digen Verma and the new packaging, the brand would look at a 40 per cent growth from the existing 20 per cent. He commented, "It is the onus of the market leader to grow the brand."

**Can Digen Verma Generate Sales?**

The 'Digen Verma' campaign seemed to have been very successful in terms of the interest it generated. For Rs. 30 million spent on it, the customer awareness it was likely to capture for 'Frooti' seemed quite phenomenal. Though the campaign had been successful in generating interest, some analysts were skeptical about whether a campaign could actually generate sales.

They held that a teaser had to deliver, otherwise, all that curiosity merely served to get people irritated faster. Ultimately, a teaser was not a substitute for advertising, nor was it a substitute for brand building. It was a device, no more any less that was meant to grab the attention of the consumer.

Analysts pointed out that many of those who had watched this campaign, had expressed certain disappointment when they learnt that it was a promotional campaign for Frooti.

Some analysts felt that Digen Verma may become larger than the brand, 'Frooti'; this would defeat the very purpose of the creation.

Parle Agro and its ad agency however felt that its campaign had been successful in not just evoking interest but also in increasing sales. Said Prakash Chauhan, "We have just spent Rs 30 million on this campaign, and the sales are already up by almost 30 per cent."

As regards the feeling of disappointment among those who watched the campaign, Dhaimade, commented, "We were expecting this response. People will have to wait and watch."

All said and done, no matter what effect the 'Digen Verma' campaign ultimately would have on 'Frooti' sales, this campaign was probably one of the most innovative teaser campaigns ever run in India. Although the efficacy of it may be subject to debate, the 'Digen Verma' campaign would be remembered for its sheer creativity and the unprecedented public interest it generated.

## 5.6.1.0 Case Study Analysis –‘Re-launch of Frooti-The 'Digen Verma' Campaign: Who is Digen Verma’?

### 5.6.1.1 Introduction

Parle beverages Ltd. is one of the leading companies of this group. Parle Agro's Frooti has been one of the major successful brands. A popular mango drink, that’s been around since 1985. It has been rated as India’s Most Trusted Fruit Beverage Brand. It is the brand’s unique ability to change that has kept it true to its essence, “Fresh ‘n’ juicy.” From its launch as a tetra pack, through the PET, triangular shaped pack to the recently launched multiple mango icon packs reflect just that. The playful and naïve nature of the brand has helped it gain great acceptance with the young and the old, time and again.

Little wonder that even after 24 yrs Frooti remains the most preferred mango drink, the world over. It has a major market share in the tetra pack fruit drink market.

### 5.6.1.2 Reasons For Brand Revitalization

- **Brand recall was losing:** By 2000, Frooti had a majority market share of the Rs. 300 crore tetra pack fruit drink market. However analysts felt that this 16-year-old brand had been losing its appeal over the years. The brand, which scored a 100 on product like ability and quality and a 95 on product recall, had dropped in the top-of-the-mind ranking to 60, from 95 two years ago.

- **Fierce competition:** The brand was facing intense from competitors like soft drinks marketers. Frooti' witnessed heightened competition in its own segment tetra pack fruit drinks2 and juices.

- **Target market was getting older:** The brand was launched as kids which was older now. So the brand needs to be re-positioned as youth brand.

### 5.6.1.3 Strategies For Brand Revitalization

- **Change the brand image:** Frooti changed its image by repositioning the brand as a fun, trendy and modern drink targeted at the youth segment, a marked change from its initial positioning as a drink for kids. The youth segment, which 'Frooti' targeted, was extremely difficult to break into partly because of the perception that 'Frooti' was a kid’s drink and partly because of the hold that competitors had already established over the market. By targeting the youth, 'Frooti' would be in direct competition with the Cola MNCs (Pepsi and Coca-Cola) which were immensely popular, not to mention other tetra pack fruit drinks and all the other beverages targeted at the youth. The re launch strategy for 'Frooti' therefore focused on the one hand on breaking the image which the youth associated 'Frooti' with and on the other on convincing the youth that it was a better alternative than the colas.

- **Advertising strategy:** The creative team of Parle Agro's advertisement agency decided that they had to think of something that appealed to the college-going crowd. To do this, they have to figure out where the typical college goers hung out, what their reference points were, and what would grab their attention. The typical college student hung out at the canteen, fed on small talk, and, invariably, his conversation revolved around celebrities and the handful of star students of his college; and it didn't matter that few had actually met the celebrities. Thus it was decided that the promotion campaign for repositioning Frooti would revolve around a brand ambassador who would be someone the youth could relate to.

  This person had to have the following characteristics if he was to have a mass appeal: one, his name had to be ubiquitous enough; two, he had to lead a life that normal consumers could relate to and three, the storyline had to be powerful enough to sustain interest.

  The name 'Digen Verma' was chosen because though it was somewhat unusual, it had a familiar ring to it. Verma was chosen as a surname, features in almost all Indian communities. On the other hand, Digen as such doesn't mean anything.

  A celebrity's life is always short-lived. Today, he is there, and tomorrow he is not. This idea came from my own experiences in college. The rule is simple. A popular guy can do what the hell he wants, people follow. A freshman has to be very careful of how he behaves. But, most importantly, there are always 'those guys' - legends you've never seen but have heard so much about. The very fact that you haven't seen them makes them larger than life.

- **Multiple marketing communication programs**: The campaign included television commercials (TVCs), outdoor media campaign, offline promotions and online advertising campaigns. The first stage of the campaign was spearheaded by an innovative and creative promotional teaser campaign, built around the brand ambassador 'Digen Verma'. This teaser campaign was aimed at stirring up tremendous interest by building hype over the mysterious character 'Digen Verma,' concealing the association with "Frooti'.

To create such kind of hype, there was a blitz of outdoor ads, promos, and cinema and teaser spots with the name of 'Digen Verma.' Many popular teenage joints such as restaurants, movie theatres, buses and local trains were flooded with catchy posters asking 'Where can you find Digen Verma on Saturday nights?' or 'What is Digen Verma's favourite serial?' etc.

Some of the colleges even had exam banners saying 'Digen Verma will be the topper again' while cinema halls flashed DV slides exhorting him to tow his Ferrari away from the parking lot. For the fortnight that this teaser campaign lasted, mystique, intrigue and high drama cloaked this `faceless' man who becomes a talking point all around the country.

Eventually it was revealed that 'Digen Verma' was the brand ambassador for 'Frooti.' A manhunt was also on to select the right guy to play the role of Digen Verma, who was to be introduced in September 2001. As part of the re-launch strategy, the Frooti tetra pack was given a new packaging. Eventually it was revealed that 'Digen Verma' was the brand ambassador for 'Frooti.'

- **Alter packaging to influence usage:** New `splash' graphics were introduced on the pack in the same signature green and orange colours and a flip top packaging replaced the aperture for a straw. The tagline of 'Frooti' changed to 'Just like that.'

## 5.6.1.4 Parameters of Mature Brand for Brand Revitalization

- **Product quality updated:** To meet the changing environment need Frooti has successfully upgraded its product. They did this by changing the product packaging and introducing the new flavors.

- **A distinct point-of-differentiation:** It was the first fruit juice to be launched in tetra pack. It carries the uniqueness of different taste.

- **Moderate to premium priced:** If compared with its competitors the pricing of its product is moderate priced.

- **Focused management with resources:** Frooti brand has focused management with resources which review the brand performance and take measures as discussed in the case study brand lost it recall from 95 points to 65 points. Management immediately took decision to reposition the brand.

- **Wide distribution network:** The brand has wide distribution network across the length and breadth of the country. It is easily available in grocery shop, fast food restaurant, malls and small shop.

- **Long-held heritage:** The brand more than two decade old and has successfully positioned itself.

- **Brand awareness has narrowed:** As per the case study brand awareness had narrowed down for which the firm took measure to revive the brand and reposition the brand.

### 5.6.1.5 Conclusion

With the hype generated through the teaser campaign and resultant interest generated, coupled with changes in packaging and tagline, Parle Agro then used regular advertising across various media (viz. Print media, TVC's, on-line promotions etc.) focusing on communication of its new positioning and attract the target segment.

The 'Digen Verma' campaign seemed to have been very successful in terms of the interest it generated. For Rs. 30 million spent on it, the customer awareness it was likely to capture for 'Frooti' seemed quite phenomenal. Though the campaign had been successful in generating interest, some analysts were skeptical about whether a campaign could actually generate sales. As per the Parle Executive “the sales were up by almost 30 per cent." Parle Agro and its ad agency however felt that its campaign had been successful in not just evoking interest but also in increasing sales.

## 5.7.1.0 Case Study- ‘Kellogg Re-branding A Corporate Image’

When Will Kellogg accidentally invented a new breakfast food in Battle Creek, Michigan in 1894, he did not realize that he was on the threshold of forming a major food manufacturing company. His name would become one of the most instantly recognized throughout the world. Today, Kellogg’s is an American owned organization that has a true global market. It has four main divisions covering North America, South & Central America, Asia Pacific, and finally Europe, Africa and the Middle East. The European Headquarters is in the UK, which along with Ireland has the highest per capita consumption in the world. However, Kellogg’s has manufacturing operations in several different European countries. The **supply chain management**, covering all aspects of production, logistics and finance is organized on a pan-European basis, which gives substantial **economies of scale**. However, marketing and sales tend to be more locally based to meet the different cultural needs as the markets across Europe can vary enormously.

This case study looks at the Kellogg’s brands and considers both the branding of the corporate image and the individual products. How have they developed and how are they maintained?

**Brand:** The marketing of Kellogg’s and the creation of some of the most valuable individual **brand names** has been keys to the Company’s success. Firms are keen to give products their own identity, which will clearly distinguish them from any competition. A successful brand name will encourage loyalty amongst consumers who will be more likely to buy the product on a regular basis. An effective brand will distinguish one product from the next on the supermarket shelves. This familiarity adds extra perceived value to the product and means that a customer’s decision to buy is not purely determined by price. This sensitivity is called the price **elasticity of demand**. Small changes in the price will not lead to big changes in the amount demanded by consumers.

Firms may try to build loyalty by creating a **corporate brand name** that will suggest an identity or characteristics that would apply to all its products. This is known as corporate branding.

Alternatively, firms may choose to establish a brand identity for each of its products. Kellogg effectively does both. Kellogg's is an example of **multiple product branding**, where each product within the range is given its own clear identity and personality but is also marketed using the Kellogg's name as an umbrella.

Kellogg's has, over the years, built up some key **core brand characteristics**, emphasizing quality and nutritional benefits that will apply to any Kellogg's product. Consumers will trust the Kellogg's brand name to fulfill these requirements whichever type of cereal they choose. To these core brand values are added the elements of the individual brand personality. Like members of a family, each will bear the same surname, but each individual has its own characteristics and strengths. There are currently 29 products in the Kellogg's family.

**Kellogg Positioning:** Kellogg's products are positioned to highlight the quality of the goods and to build on the emotional attachments. Consumers who have grown up with Kellogg's breakfast cereals will have strong associations of childhood and home. Having decided on the position of the products within the cereal market, Kellogg's can consider the elements of the marketing mix, the different marketing tactics it will employ to make its products more desirable.

**Kellogg's marketing mix:** When Kellogg's Corn Flakes were launched in the UK in the early 1920's the company faced a formidable task of persuading a skeptical nation, accustomed to porridge and bacon and eggs, to try a brand new breakfast food. What followed was one of the most remarkable marketing achievements of the 20th Century. Kellogg used a team of dedicated salesmen who employed armies of casual labourers and Boy Scouts to cover the country, to knock on doors and literally give away millions of sample packets of Corn Flakes and Rice Krispies. The free samples encouraged consumers to buy the products and within ten years Kellogg's had revolutionized the eating habits of a nation.

**Advertising the Kellogg's brands:** Today, advertising and packaging are also key aspects of the marketing mix. Kellogg's advertise using a whole range of media: in the press, on posters, radio and cinema, direct mail and, most recently, on the Internet. However, the main channel for its advertising is on television, where individual brands are given their own air time, aimed specifically at a target audience. Although breakfast cereals are consumed by the whole population, individual products may be aimed at specific groups. For example, Special K is aimed towards women, Start has a sporty image and Frosties and Coco Pops are primarily aimed at children. Corn Flakes, by contrast, are aimed at the whole family. This targeting will determine the content of the advert and the time of broadcast.

**Packaging the individual brands:** The packaging of Kellogg's breakfast cereals is also a key element of the marketing mix. The packaging has to provide a representation of the brand identity and appeal to the target market. It also has to have space for nutritional information and any promotional offers. Kellogg's has to deal with the problem that the purchasers of cereal, usually adults and often female, are not always the consumers, often children. The packaging has to appeal to both groups. By combining some elements of corporate branding with the individual product's own identity, it can provide the assurances of quality and nutrition that come with the Kellogg's name and also appeal to the end user. In Spring 2000, Kellogg's took the major step of launching a bright, colourful new corporate image for all its cereal brands. This is not a course of action that should be taken lightly. Once consumers have a popular brand image in mind, it may be risky to change it, but Kellogg's was concerned that, in a highly competitive market, it was becoming increasingly difficult to differentiate between supermarket own label and other manufacturers' brands. Consumers were becoming confused when confronted with so many similar packs on the supermarket shelves.

**Market research – the reduction of risk: To** further reduce any risk, Kellogg's undertook a considerable amount of market research. One thousand consumers were asked a series of questions about the Kellogg's brands and were shown some initial designs. In particular, the researchers wanted information about the impact of the designs on the shelf, the ease of recognition and the clarity of the brand name and product. The results of the market research confirmed that one design led the field. It highlights the 'K' logo, which was based on the original signature of W. K. Kellogg. The big advantage of using the 'K' logo was that it was a protectable brand image. Other competitors would not be able to imitate it.

Having decided on the new corporate brand icon, the designers had to incorporate it into the design of the packaging for all 29 individual brands. The latest computer technology was used to digitally generate the artwork and the familiar characters such as **Snap, Crackle and Pop, Captain Rik and Tony the Tiger** were re-drawn in a more modern style. For each product the image was designed to wrap around the box and each side, including the bottom have also been given a strong branded look.

The only part of the old design to be kept was the nutritional information, which had itself been re-designed in 1998 and had even received recognition from the Plain English Campaign for the clarity of its explanations. This had already proved to be very consumer friendly and a big success so it was simply incorporated into the new design.

It was essential not to alienate consumers with radical new designs and it was important to maintain the individuality of each brand. This is known as the brand equity and means the value of a brand that has been built up over a number of years. Frosties, for example, kept Tony the Tiger, the familiar blue background and typeface, while Corn Flakes still radiates sunshine and keeps the red and green cockerel. Although the changes in the corporate image were quite radical, the designs of the individual brands retained enough elements to be instantly recognizable.

**Communicating with consumers:** The completed new designs were further tested on consumers using sophisticated computerized eye tracking tests to see if the packs stood out on the supermarket shelves. More extensive market research was carried out to gauge the reactions of consumers. Finally, it was necessary to communicate with consumers about the new packaging and the new image was flagged on the old packs for two months before the launch. The top section of the back panels was used to display the new designs to enable the consumers to become familiar with them. The new designs were also featured in a direct mail campaign to Kellogg's consumers as the packs went into market.

Changing the appearance of a well known range of products can be a risky strategy, particularly in the highly competitive environment of the supermarket, where purchase decisions are made very quickly and competitors often try to imitate the packaging of a market leader. However, with extremely careful preparation and attention to detail and some state of the art design techniques, Kellogg's has been able to clearly differentiate its product range from the competition.

## 5.7.1.0Case Study Analysis – 'Kellogg Re-branding A Corporate Image'

### 5.7.1.1 Introduction

This case study looks at the Kellogg's brands and considers both the branding of the corporate image and the individual products. How have they developed and how are they maintained? Since maintaining the brand requires regular nurturing of the brand throughout its life cycle, in this case study analysis we would find that how brands are maintained by various revitalization measures.

A successful brand name will encourage loyalty amongst consumers who will be more likely to buy the product on a regular basis. An effective brand will distinguish one product from the next on the supermarket shelves. This familiarity adds extra perceived value to the product and means that a customer's decision to buy is not purely determined by price.

### 5.7.1.2 Reasons For Brand Revitalisation

Before any brand which needs to be revitalized first the reason for its revitalization should be known. This helps the management not only in analyzing the brand performance but also that the course of action which would be taken to revitalise the brand are appropriate. Since the revitalization is done in a phased manner it would help the management to keep the check on the revitalization measure and to check whether they are getting the results as desired.

Firms may try to build loyalty by creating a corporate brand name that will suggest an identity or characteristics that would apply to all its products. This is known as corporate branding. Alternatively, firms may choose to establish a brand identity for each of its products. Kellogg effectively does both. Kellogg's is an example of multiple product branding, where each product within the range is given its own clear identity and personality but is also marketed using the Kellogg's name as an umbrella.

Kellogg's was concerned that, in a highly competitive market, it was becoming increasingly difficult to differentiate between supermarket own label and other manufacturers' brands. Consumers were becoming confused when confronted with so many similar packs on the supermarket shelves.

Thus the firm wanted to take some measure to differentiate itself from the competitors in the market. But at the same time it may be risky to change it, once consumers have a popular brand image in mind.

The other problem which the firm was facing the packaging of Kellogg's breakfast cereals. The packaging has to provide a representation of the brand identity and appeal to the target market. It also has to have space for nutritional information and any promotional offers. Kellogg's has to deal with the problem that the purchasers of cereal, usually adults and often female, are not always the consumers, often children. The packaging has to appeal to both groups.

### 5.7.1.3 Strategies For Brand Revitalisation

A new marketing program may be necessary to improve the strength, favorability, and uniqueness of brand associations making up the brand image. In order to attain the above set goal that is to differentiate the brand from its competitor and also to have packaging to appeal its target market the decision to alter the packaging was taken.

Now the management had to decide what kind of packaging should be done and what should be its corporate image. To attain this Kellogg has undertaken a considerable amount of market research. One thousand consumers were asked a series of questions about the Kellogg’s brands and were shown some initial designs. In particular, the researchers wanted information about the impact of the designs on the shelf, the ease of recognition and the clarity of the brand name and product.

The results of the market research confirmed that one design led the field. It highlights the ‘K’ logo, which was based on the original signature of W. K. Kellogg. The big advantage of using the ‘K’ logo was that it was a protectable brand image. Other competitors would not be able to imitate it. Having decided on the new corporate brand icon, the designers had to incorporate it into the design of the packaging for all 29 individual brands was done.

- **Change brand image:** The latest computer technology was used to digitally generate the artwork and the familiar characters such as Snap, Crackle and Pop, Captain Rik and Tony the Tiger were re-drawn in a more modern style. For each product the image was designed to wrap around the box and each side, including the bottom have also been given a strong branded look. The only part of the old design to be kept was the nutritional information, which had itself been re-designed in 1998 and had even received recognition from the Plain English Campaign for the clarity of its explanations. This had already proved to be very consumer friendly and a big success so it was simply incorporated into the new design.

- **Alter packaging to influence usage:** Kellogg’s has to alter the packaging in such a way that it should appeal to both the purchaser and the end user. In this case they both were different as purchasers were usually adults and often female, are not always the end user, often children. The packaging has to appeal to both groups. By combining some elements of corporate branding with the individual product’s own identity, it can provide the assurances of quality and nutrition that come with the Kellogg’s name and also appeal to the end user.

  The new packaging and the new image was flagged on the old packs. The top section of the back panels was used to display the new designs to enable the consumers to become familiar with them. The new designs were also featured in a direct mail campaign to Kellogg's consumers as the packs went into market.

- **Awareness of changes to consumers:** The completed new designs were further tested on consumers using sophisticated computerized eye tracking tests to see if the packs stood out on the supermarket shelves. More extensive market research was carried out to gauge the reactions of consumers.

  However, with extremely careful preparation and attention to detail and some state of the art design techniques, Kellogg's has been able to clearly differentiate its product range from the competition.

  The new designs have been successful in promoting all the familiar attributes associated with the Kellogg's name and have also enhanced and up-dated the personalities of the individual brands.

### 5.7.1.4 Parameters Of Mature Brand For Brand Revitalization

- **Product quality updated:** The product under the brand had been updated regularly and changes had been in the product with the time. Like, they offer the product in many flavors.

- **A distinct point-of-differentiation:** The brand has been established as the cereal snack for the breakfast which is nutritious and healthy for the individual.

- **Moderate to premium priced:** The brand has many products under its category. They are moderate to premium priced.

- **Focused management with resources:** The brand had been able to lead a glorious life due to the focused management which had been nurturing the brand successfully.

- **Wide distribution network:** As per the case study the brand has the wide distribution network all across the globe.

- **Loyal customer base:** The brand has very strong loyal customer base which is being nurtured and looked with awareness so that they feel proud to be associated with the brand.

- **Long-held heritage:** Company was established in 1920 in UK and since then it has been able to make its presence as the successful and well recognized brand in the world.

### 5.7.1.5 Conclusion

Extensive market research helped to reduce the risk, and communication with consumers warning them of the new changes, eased the period of changeover. The new designs have been successful in promoting all the familiar attributes associated with the Kellogg's name and have also enhanced and up-dated the personalities of the individual brands.

## 5.8.0.0. Case Study- 'Cool Once Again'

After getting a drubbing from multinational AC brands, Voltas is back in the reckoning.

In the past month, senior executives at Voltas' air-conditioning division have been busy travelling between major Indian cities, unveiling new products for the season and announcing the company's strategy to tap SEC B and C markets with a range of competitively-priced products.

Voltas is already among the top three air-conditioner brands in the country, but that's not nearly enough. The Tata Group company wants an even bigger piece of the pie than it has, and it wants its share of the growing action in the Indian AC market (which is clocking growth of more than 20 per cent a year).

The mood in Voltas today is aggressive — a welcome change from even a few years ago, when the company was being looked upon as a white elephant in a market that had been taken over by multinational brands such as LG, Samsung and Carrier.

The company had suffered significant losses and its market share dropped from a high of 30-40 per cent in the early 1990s to around 7 per cent in 2000-01. From being the No.1 player in the Indian AC market in 1992-93, Voltas was down to an also-ran No. 6. The wake-up calls came as a directive from the Tata leadership — perform or perish. Well, Voltas has clearly performed. The strategist takes a look at how the AC division restructured itself and returned to a leadership position.

**Fall from top:** For close to five decades (from its inception in 1954 to 1992), Voltas ruled the Indian AC market with close to 40 per cent market share. Of course, life was simpler back then — there was no multinational onslaught and the branded players in the market could be counted on the fingers of one hand: Voltas, Blue Star, Fedders Lloyd and Arco. The unorganized small-scale industry was strong, tapping more than half the market.

All that changed in 1993, when the American AC giant Carrier (which had entered the Indian market in 1987) launched a new range of new generation ACs, which promptly knocked off Voltas from its leadership position. And between 1993 and 1997, with the entry of the Korean, Japanese and other global giants — LG, Samsung, National, Electrolux, Whirlpool and so on — Voltas' market eroded further. By 2001, its position slipped to No. 6 (LG emerged as No.1), with market share plunging to a low 7 per cent.

Says Raman Mangalorkar, head, consumer and retail, at management consultancy AT Kearney: "The MNC brands changed the rules of the game. The LGs and Samsungs came at a time when consumers were yearning for technologically superior and smarter products. They raised the quality levels, came with a plethora of choice options, and were able to drive demand."

Voltas wasn't prepared for the changing market dynamics. Before the entry of the MNCs, the AC market was primarily driven by sales in the institutional market (government and corporations) — the residential or retail AC market was minuscule. Even after the entry of the new players, Voltas's share in the retail segment hovered around 5 per cent.

That's when the Tata leadership came up with a directive to Voltas to either reclaim its position among the top three players, or exit the AC business altogether.

**Do or die:** Based on the recommendations of the Tata Strategic Management Group (the management consultancy that's part of the Tata Group), Voltas began an internal regeneration drive. A detailed study was made on how the market would shape up, the competitors, their offerings, strategies, the market spread — in short, everything related to the Indian AC market.

The recommended solution: transform Voltas from engineering to a marketing company.

To effect that transformation, Voltas planned a Big Bang strategy that spelled out ways to revive every facet of the company — product, channel, systems, service, costs and brand. While in the good old days, Voltas had earned profits keeping its margins high, the MNCs had changed the rules.

They had unleashed a price war — slashed prices and cut margins — with the result that getting ahead in the AC market now depended on volume generation. "Volumes became critical for survival," agrees Java. The key objectives of the "Big Bang" were, therefore, to increase revenues from sales achievements, and make Voltas the lowest-cost manufacturer. "Economies of scale were critical," he adds.

**Product comes first:** The first key initiative was to revamp the product itself. Market research by Voltas showed a less-than flattering customer perception of the company's air conditioners: the general consensus seemed to be that Voltas ACs was old-fashioned, outdated, bulky dabbas.

Voltas hadn't benchmarked its products against MNC offerings, which were superior technologically and aesthetically, as well as competitively priced. The company had no model catering to the low-end market, nor any that marked the shift in ACs from premium to affordable, or luxury to comfort.

"The challenge was not only to come up with a range that matched competition, but to come up with it in a cost-effective manner. We needed a partner that could not only provide us with technology, but also help in keeping the manufacturing cost low," says Java.

That partner came up in Fedders International, a leading player in the US room AC market, with a worldwide presence, with which Voltas signed a 50:50 manufacturing only joint venture in 2001. There were several immediate benefits from the JV.

First, it helped Voltas plug into Fedders' technology and design know-how to launch new-generation products — Voltas was allowed access to Fedders' R&D centers in Singapore and Florida. The result was the Vertis brand, with a range that matched competitors' offerings — it had features like purification filters, ionizers to kill bacteria, economy mode to save on electricity and so on.

In fact, between 2001 and 2004 Voltas launched over 74 new products, revamping its entire product line. This includes industry firsts such as a 1.5 tone AC — now a staple product offering. The global sourcing agreement also brought significant cost benefits to Voltas. Fedder's sources all its components — from copper tube to compressors — by negotiating with manufacturers worldwide. The JV allows Voltas access to components from the same manufacturers at the same low price-points.

In fact, Voltas claims that global sourcing has helped it become the lowest-cost manufacturer in India. In the past five years, material costs for window ACs have dropped 20 per cent, from Rs 10,400 per unit to under Rs 8,000 a unit, while the conversion cost has come down by a remarkable 60 per cent, from Rs 2,000 a unit to Rs 650 a unit.

Another move — literally, this time — that helped Voltas was shifting its manufacturing base, in 2000, from Thane to Dadra, which is a sales tax-exempt zone. The company has passed on that 12.5 per cent saving to its consumers, which naturally has helped sales.

**Channel revamp:** Of course, it wasn't enough to just spruce up its offerings. Voltas also needed to reach out to new markets and new customers. This meant shaking up its distribution network.

The first step was to weed out non-performing dealers. Voltas identified some 300 of its 650 dealers — close to half — as non-performing. They were given strict deadlines to clean up their acts — while 200 dealers upgraded their performance to meet the new, higher standards Voltas demanded, about 100 were shown the door. They were promptly replaced by 200 new dealers, taking Voltas's dealer network to 750 by 2001. At present, the company has about 2,000 dealers, which will be hiked to 3,500 by the year-end, while franchisee spread will increase from 350 to 500 over the same period.

Back in 2001, dealer confidence was low and the default rate high. The trend was towards single-product dealers, who were "supported" through credit extensions. Now Voltas put in place a dealer-friendly policy that offered subsidies and incentives, but also raised the performance bar. The company signed memoranda of understanding with the dealers, clear spelling out the operational procedures and norms to be followed and the scope of work between the dealer and Voltas.

Voltas set aside 1 per cent of its turnover for training and development of its channel partners. Money was pumped into dealer infrastructure, manpower training (with certification programmers for all employees), sharing costs of mobile vans, cooperative ads and so on.

Says a Voltas marketing executive, "Dealer satisfaction is important as we are no longer into direct selling and servicing in the residential AC market. Unless they are satisfied, they can't satisfy the customer."

Changes were also made in the after-sales part of the business. Voltas's earlier model was of direct servicing where the company sent out its own AC engineers to attend to complaints. Now, it made the dealers responsible for customer care — and in one stroke, cut its workforce by more than a third, from 370 to 216.

Even the dealers have strict guidelines on interacting with customers and responding to complaints. How many servicemen are required, what kind of servicing kit is required, what spare parts must always be there, the dress code of a servicemen — everything is spelt out for the dealer. Time targets — under four hours in the metros — have also been set for responding to customer calls. And since the dealers and the head office are connected through a SAP system, all transactions are online and transparent.

**Brand Building:** When the Tata management laid down its ultimatum, Voltas knew it needed to focus on the demand for ACs in homes. While room AC sales were growing at 26 per cent, household penetration was a mere 2 per cent — the potential was tremendous.

Say Mangalorkar of AT Kearney, “A long relation with the consumers can have its pros and cons. In Voltas’s case the cons were more. It lacked the freshness that the MNCs provided.” Voltas’s Java agrees. “The brand recall was poor and we had a fuddy-duddy image. The task at hand was to transform Dilip Kumar into Shah Rukh Khan.”

To do that, Voltas began by switching ad agencies — from O&M to Euro RSG, which came up with a new positioning platform: “Acs with IQ.” The ads focused on defining features of Voltas’s new product range such as uniform cooling, energy-saving, timers and air filters, with cues of performance and value-addition through technological innovation. The campaign kicked off with the Vertis flagship, and went on extend the “ACs with IQ” proposition to every Voltas AC. A series of print ads spelt out what was “intelligent” about the range.

Subsequent promotions have focused on themes like customer service and low costs of ownership. In 2004, Voltas changed its theme somewhat, staking claim to the aspirational product platform — campaigns focused on its new Rs 9,900 AC, a first in the market.

Celebrities like Shah Rukh Khan and Shoaib Akhtar were also roped in to strengthen the brand. Of course, all this doesn’t come cheap: between 2001 and 2004, Voltas invested more than Rs 50 crore in branding initiatives; last year, it spent Rs 17 crore on marketing.

The figure for this year is somewhat higher: Rs 20 crore. But then, the theme has changed too.

Since the focus now is on capturing a larger share of the mass market, Voltas's new campaign is aimed at the aam aadmi, and has been shot in a distinctly non-urban environment. The tagline, too, has changed — Voltas is now "India ka AC".

# 5.8.1.0 Case Study Analysis – 'Cool Once Again'

## 5.8.1.1 Introduction

This case study is about the AC brand from India 'Voltas'. The brand had been in the market since 1954 and till 1992 before liberalization it was ruling the Indian AC market with many competitors giving competition. But after 1992 the scenario changed and brand was struggling in the market with mere 7% share. The case study discusses how it made itself again an established brand which had been discussed below in brief.

## 5.8.1.2 Reasons For Brand Revitalization

- **Entry of competitors:** In 1993, when the American AC giant Carrier (which had entered the Indian market in 1987) launched a new range of new generation ACs, which promptly knocked off Voltas from its leadership position. And between 1993 and 1997, with the entry of the Korean, Japanese and other global giants — LG, Samsung, National, Electrolux, Whirlpool and so on — Voltas' market eroded further. By 2001, its position slipped to No. 6 (LG emerged as No.1), with market share plunging to a low 7 per cent.

- **Retail market segment was ignored:** Voltas wasn't prepared for the changing market dynamics. Before the entry of the MNCs, the AC market was primarily driven by sales in the institutional market (government and corporations) — the residential or retail AC market was minuscule. Even after the entry of the new players, Voltas's share in the retail segment hovered around 5 per cent.

- **Distribution channel:** Voltas distribution channel was not as competitive as their competitors had so the measures were needed to taken to improve upon it.

- **Need to improve brand image:** The brand recall was poor and we had a fuddy-duddy image. The task at hand was to transform Dilip Kumar into Shah Rukh Khan.

- **Product quality up gradation:** The key initiative was to revamp the product itself. Market research by Voltas showed a less-than flattering customer perception of the company's air conditioners: the general consensus seemed to be that Voltas ACs was old-fashioned, outdated, bulky dabbas.

## 5.8.1.3 Strategies For Brand Revitalization

- **Identifying neglected segments:** The retail segment was being total overlooked by the brand. The Tata management laid down its ultimatum, Voltas needs to focus on the demand for ACs in homes. While room AC sales were growing at 26 per cent, household penetration was a mere 2 per cent — the potential was tremendous.

- **New distribution outlets:** The first step was to weed out non-performing dealers. Voltas identified some 300 of its 650 dealers — close to half — as non-performing. They were given strict deadlines to clean up their acts — while 200 dealers upgraded their performance to meet the new, higher standards Voltas demanded, about 100 were shown the door. They were promptly replaced by 200 new dealers, taking Voltas's dealer network to 750 by 2001.

- **Ensure that the brand compares favorably with others:** Volta's products which were both technologically and aesthetically superior, as well as competitively priced in comparison to its MNCs competitors.

- **Reposition brand with relevant goals**: The brand recall was poor and had a fuddy-duddy image. The image was changed with a new positioning platform: "Acs with IQ." The ads focused on defining features of Voltas's new product range such as uniform cooling, energy-saving, timers and air filters, with cues of performance and value-addition through technological innovation. The campaign kicked off with the Vertis flagship, and went on extend the "ACs with IQ" proposition to every Voltas AC. A series of print ads spelt out what was "intelligent" about the range.

Subsequent promotions have focused on themes like customer service and low costs of ownership. In 2004, Voltas changed its theme somewhat, staking claim to the aspirational product platform — campaigns focused on its new Rs 9,900 AC, a first in the market. Celebrities like Shah Rukh Khan and Shoaib Akhtar were also roped in to strengthen the brand.

- **Technological up gradation:** Fedders International, a leading player in the US room AC market, with a worldwide presence, with whom Voltas signed a 50:50 manufacturing only joint venture in 2001. There were immediate benefits from the JV.

  First, it helped Voltas plug into Fedders' technology and design know-how to launch new-generation products — Voltas was allowed access to Fedders' R&D centers in Singapore and Florida. The result was the Vertis brand, with a range that matched competitors' offerings — it had features like purification filters, ionizers to kill bacteria, economy mode to save on electricity and so on. The global sourcing agreement also brought significant cost benefits to Voltas. Fedders source all its components — from copper tube to compressors — by negotiating with manufacturers worldwide. The JV allows Voltas access to components from the same manufacturers at the same low price-points.

- **Product range to be broadened:** In fact, between 2001 and 2004 Voltas launched over 74 new products, revamping its entire product line. This includes industry firsts such as a 1.5 ton AC — now a staple product offering.

## 5.8.1.4 Parameters of Mature Brand for Brand Revitalization

- **Product quality updated:** The brand was not performing good as the product offered were perceived to old and outdated.

- **A distinct point-of-differentiation:** The brand has distinct point-of-differentiation of the premium product.

- **Moderate to premium priced:** The products that the brand offered were of premium range.

- **Focused management with resources:** The brand had the focused management with resources which helped in reviving the brand.

- **Wide distribution network:** The brand had wide distribution network and was revived to get better reach to the customers.

- **Long-held heritage:** The brand is more than fifty decade old brand and had been able revitalized.

- **Brand awareness has narrowed:** After the entry of the MNCs the brand awareness had narrowed down which was needed to widen.

### 5.8.1.5 Conclusion

Within a year of the Big Bang, Voltas's market share started rising. From 7 per cent in 2001, it climbed to 9.2 per cent the next year and is now at around 16 per cent. Exults Java, "The numbers that we were achieving in a year, we now get in a month." Thus, after adopting the mix of revitalization strategies Voltas was able to make a successful come back.

## 5.9.0.0 Case Study – 'Bajaj Automobile Logo Change'

#### About The Company

The Bajaj Group is amongst the top 10 business houses in India. Its footprint stretches over a wide range of industries, spanning automobiles (two-wheelers and three-wheelers), home appliances, lighting, iron and steel, insurance, travel and finance. The group flagship company, Bajaj Auto, is ranked as the world's fourth largest two- and three wheeler manufacturer and the Bajaj brand is well-known in over a dozen countries in Europe, Latin America, the US and Asia.

Founded in 1926, at the height of India's movement for independence from the British, the group has an illustrious history. The integrity, dedication, resourcefulness and determination to succeed which are characteristic of the group today, are often traced back to its birth during those days of relentless devotion to a common cause. Jamnalal Bajaj, founder of the group, was a close confidant and disciple of Mahatma Gandhi. In fact, Gandhiji had adopted him as his son. This close relationship and his deep involvement in the independence movement did not leave Jamnalal Bajaj with much time to spend on his newly launched business venture. His son, Kamalnayan Bajaj, then 27 took over the reins of business in 1942. He too was close to Gandhiji and it was only after Independence in 1947, that he was able to give his full attention to the business. Kamalnayan Bajaj not only consolidated the group, but also diversified into various manufacturing activities.

The present Chairman and Managing Director of the group, Rahul Bajaj, took charge of the business in 1965. Under his leadership, the turnover of the Bajaj Auto the flagship company has gone up from Rs.72 million to Rs.46.16 billion (USD 936 million), its product portfolio has expanded from one to and the brand has found a global market. He is one of India’s most distinguished business leaders and internationally respected for his business acumen and entrepreneurial spirit.

**Need For Change In Corporate Identity:** The 59- year old institution, which is one of the country’s largest two- wheeler and three wheeler manufactures for a long time was accused of using obsolete technology that was polluting the air. They had lost their dominance in the scooter market. Although they were still the largest selling brand in the country, they did not have that overwhelming brand presence anymore. They lost their position because they failed to convince the consumers that they had environment-friendly, stylish, sleek products.

A viewer at the Auto Expo2000 exhibition asked Mr. Rajeev Bajaj- "Mr. Bajaj, why are you still making these old, ugly scooters and polluting three-wheelers?” There was a shift in the market preference from scooters to motorbikes. Now, they had an overwhelming share of the scooter market, but were very nascent in the motorcycle market. They yet had to make a major dent in the motorcycle market. Hence, their total market-share in the two-wheeler segment fell. The company failed to anticipate the consumer behavior. They thought they were going in the right direction, but they were not. “We are to be blamed for our market dominance slipping because we did not see it coming”- Mr. Rajeev Bajaj

In the late 1990s, Bajaj Auto faced an identity crisis. With stagnating scooter market and increased competition from the local and MNC players, Baja Auto had to quickly adapt to the evolving market or be rendered obsolete. Urban as well as Rural market was patronizing motorbikes and ignoring scooters. It also failed miserably in the overseas market. To make a dent in the overseas market it needed, the brand needed to command a certain image.

**Implemented Change In Corporate Identity:** The re- branding for Auto Bajaj that has a 30- year-old legacy and was a consistent brand, a conscious decision was made, after witnessing the above reasons for the need to change. The job revamping and redesigning the company’s brand image, corporate identity and logo’s various manifestations was done by Elephant Design, a Pune based, Multi- disciplinary design office that has created redefined and repositioned several brands across a wide range of industry segments.

The new logo and repositioning was preceded by a nationwide market research to ascertain the new identity’s acceptance among customers and others. Elephant Designs apparently spent four months exploring alternatives during the implementation stage. The market research was also taken to ascertain the perception among customers and non customers.

Say’s Deshpande, “The research resulted in qualitative analysis of the Opinions available and helped us take an informed decision”. They conducted this research in representative markets of North, West, and South India. They were positively surprised to find a huge acceptance of the designed identity and very favorable value fits.

They were also hopeful that the redesign would have a favorable impact on the business. According to them, the returns are more intangible since identity means symbol. And it symbolically represents what the company is about. Bajaj perhaps saw red when it realized that its blue and white logo had been there for far too long time. The company quickly set to work on a new identity and the result is all blue new logo, a modification of the older one that was officially launched at the Auto Expo Show in New Delhi in January 2004. Thus the old hexagonal blue and white logo of the company was replaced with a more dynamic, vibrant, stylized and trendy B. The brief by Bajaj to Elephant Design was that the B had to be retained.

Ashwini Deshpande, Director, Elephant Design, while talking about the philosophy behind the change in Bajaj's identity, says that ***"Bajaj has been changing in many different ways over the years."*** The manufacturing infrastructure has become high- tech too, there are a lot of emphases on research and development, and consumers have changed too. The customers are younger than what they used to be. Their exposure is much wider, expectations are very high, Bajaj has a very dynamic distribution and servicing set up and amid all this Bajaj is producing non- polluting and systematically as well technologically advanced vehicles. The change in Identity recognizes all these changes and presents an easier interface for audience to understand the change'.

The entire project that took about a year's time to complete, including the following according Elephant Design: New Brand Map/ Brand Architecture for Bajaj Auto

- New Visual Identity
- Contextualization of New Identity
- Guidelines manuals for standardization and monitoring identity usage in:
    - Communication
    - Corporate and Regional Offices
    - Other properties- Vehicles, Factories, Godowns

Elephant had earlier worked with the Bajaj's on the new look that the company gave its showrooms across the country.

The dowdy retail outlets were transformed into the more contemporary 'Planet Bajaj'. Sudhi Sharma director, Elephant Design said, the new logo was very modern, dynamic, and stylish and looks inspiring confidence. It also symbolizes the new band excitement, excitement in engineering and speed, Sharma said.

When someone says, "Times are changing…" Mr. Rahul Bajaj adds, "Let me assure you that Bajaj Auto will lead this change.

Bajaj Auto unveiled the new corporate identity on the 15th of January at the Auto Expo 2004, New Delhi. The white and blue reverse hexagonal symbol with Bajaj Auto in small all lettering, which stood in good stead for Bajaj Auto for many decades, finally paved way for a refreshing new look symbol with the Bajaj logotype in capital letters. The new identity arrives at a time when Bajaj Auto has successfully metamorphosed into a major motorcycle manufacturer with proven credentials in award winning Pulsar twins and also proved its technological capability with the introduction the revolutionary (Digital Twin-Spark Ignition – DTSI Technology).

The new visual identity of Bajaj Auto emanates from the confirmation of core values, which Bajaj has identified as its brand values. The Brand essence for the new Bajaj has been defined as "Excitement". Excitement engineering will deliver and inspire confidence in to various stakeholders like Bajaj has traditionally done. Bajaj promises to live its essence thru a set of five Brand Values of Learning, Innovation, Perfection, Speed and Transparency. The change in Identity is a part of the ongoing changes happening at Bajaj. At a time when Bajaj has state of the art manufacturing infrastructure, has an enviable distribution and service network, has created a benchmark R&D facility and at a time when the customer has changed in terms of its exposure to quality and style, the change in Identity will help invite a paradigm shift in consumer perception of the company.

The traditional hexagonal symbol has been replaced by an open abstract form of stylized B; the "flying B" as it has been named represents style and technology. It also has a strong association with the heritage of Bajaj since the external form has a hint of hexagon. "Flying B" form denotes speed and open form denotes the transparency.

The new Logotype is all capital BAJAJ, representing precision engineering and perfection. The logo is all confident bold stylistic lettering, which is very global in its outlook.

Bajaj has adopted a new tagline of "Inspiring Confidence". In whatever the company does it seek to inspire confidence in its audience? Bajaj has traditionally enjoyed tremendous consumer support and plans to consolidate and move ahead on this. The Brand line appears below the Logotype in a script font. This font is to represent learning values at Bajaj and that Bajaj as a brand moves closer to customer.

The Identity has a fresh new Blue colour. This Blue represents stability and strength of Bajaj. Blue also represents high technology and precision engineering. The new Identity presents a futuristic face of the new global Bajaj. Elephant Design has been working with Bajaj on creating and implementing the new Bajaj_ identity. The new brand will manifest in all consumer and employee interfaces. Says, Rajiv Bajaj, Joint Managing Director, BAL, "Bajaj is on the cusp of a revolution brewing on various fronts, be it, exports, design, R&D, new models and marketing." The company thus needed a new identity that would present the new philosophy. The sweeping changes happening at Bajaj Auto required a more dynamic, vibrant and exciting identity, which would also showcase inspiration and confidence through excitement engineering. The change in identity is expected to present an easier interface for the world to understand the new Bajaj with the same trustworthy values."

**Conclusion:** "Hamara Bajaj" the age-old slogan, which was popular in every Indian household for more than three decades. Perhaps the only way that this company could retain its glory is by changing its attitude, image and of course, products. It was about time Bajaj Auto gave the two and three- wheeler behemoth a new face, a new image especially with the a Japanese giant Honda motors was inching closer to Bajaj Auto and of course the various other reasons mentioned above. My point, after having chosen Bajaj Auto as my secondary case study and its effects of change in identity is that how exactly

Bajaj Auto was planning to imbibe the new image and the feeling of “Hamara Bajaj” to its stakeholders? Yes, stakeholders as a pact which not only includes consumers but employees, traders, suppliers, investors, competitors, government, media etc. Having grown up singing the popular jingle “Buland Bharat ki buland tasveer…” it is rather alarming to get up one morning and seeing our very own Bajaj from “Hamara Bajaj” turned into “Inspiring Confidence”. After having understood the term ‘Corporate Identity’, it stands as the personality of the organization. It is therefore necessary to understand two main facets of identity- purpose and belonging.

## 5.9.1.0 Case Study Analysis – ‘Bajaj Automobile Logo Change’

### 5.9.1.1 Introduction

The Bajaj Group is amongst the top 10 business houses in India. Its footprint stretches over a wide range of industries, spanning automobiles (two-wheelers and three-wheelers), home appliances, lighting, iron and steel, insurance, travel and finance. Founded in 1926, at the height of India's movement for independence from the British, the group has an illustrious history. The integrity, dedication, resourcefulness and determination to succeed which are characteristic of the group today, are often traced back to its birth during those days of relentless devotion to a common cause. Jamnalal Bajaj, founder of the group, was a close confidant and disciple of Mahatma Gandhi. In fact, Gandhiji had adopted him as his son.

This close relationship and his deep involvement in the independence movement did not leave Jamnalal Bajaj with much time to spend on his newly launched business venture. His son, Kamalnayan Bajaj, then 27 took over the reins of business in 1942. He too was close to Gandhiji and it was only after Independence in 1947, that he was able to give his full attention to the business. Kamalnayan Bajaj not only consolidated the group, but also diversified into various manufacturing activities.

### 5.9.1.1 Reasons For Brand Revitalization

The 59- year old institution, which is one of the country's largest two- wheeler and three wheeler manufactures for a long time was accused of using obsolete technology that was polluting the air.

They had lost their dominance in the scooter market. Although they were still the largest selling brand in the country, they did not have that overwhelming brand presence anymore.

They lost their position because they failed to convince the consumers that they had environment- friendly, stylish, sleek products.

In the late 1990s, Bajaj Auto faced an identity crisis. With stagnating scooter market and increased competition from the local and MNC players, Baja Auto had to quickly adapt to the evolving market or be rendered obsolete. Urban as well as Rural market was patronizing motorbikes and ignoring scooters. It also failed miserably in the overseas market. To make a dent in the overseas market it needed, the brand needed to command a certain image. Thus the company has to change their product offering and also has to look trendier so that they can maintain their brand position by changing target market. As the target market was not accepting the scooter and were getting attracted more towards the motorbikes.

### 5.9.1.2 Strategies For Brand Revitalization

- **Improving Brand Image:** After conducting the survey in representative parts in North, West and South India Elephant Design (firm who gave brand new logo) found that the companies brand needs to be changed and also focused that new logo should represent the company's employee after all it is them who come in constant contact with the brand and the organization.

- **Attract new customers:** Since the scooter market was getting stagnate and increased competition from the local and MNC players, the company decided to launch new motorbike. Bajaj Auto has successfully metamorphosed into a major motorcycle manufacturer with proven credentials in award winning Pulsar twins and also proved its technological capability with the introduction the revolutionary (Digital Twin-Spark Ignition – DTSI Technology).

- **New brand logo:** The traditional hexagonal symbol had been replaced by an open abstract form of stylized B; the "flying B" as it has been named represents style and technology. It also had a strong association with the heritage of Bajaj since the external form has a hint of hexagon. "Flying B" form denotes speed and open form denotes the transparency.

  The new Logotype is all capital BAJAJ, representing precision engineering and perfection. The logo is all confident bold stylistic lettering, which is very global in its outlook. Bajaj has adopted a new tagline of "Inspiring Confidence". In whatever the company does it seeks to inspire confidence in its audience. Bajaj has traditionally enjoyed tremendous consumer support and plans to consolidate and move ahead on this. The Brand line appears below the Logotype in a script font. This font is to represent learning values at Bajaj and that Bajaj as a brand moves closer to customer. The Identity has a fresh new Blue colour. This Blue represents stability and strength of Bajaj. Blue also represents high technology and precision engineering. The new Identity presents a futuristic face of the new global Bajaj.

### 5.9.1.4 Parameters Of Mature Brand For Brand Revitalization

- **Product quality updated:** With stagnating scooter market and increased competition from the local and MNC players, Baja Auto had to quickly adapt to the evolving market or be rendered obsolete. Urban as well as Rural market was patronizing motorbikes and ignoring scooters. It also failed miserably in the overseas market.

- **A distinct point-of-differentiation:** Bajaj has state of the art manufacturing infrastructure, has an enviable distribution and service network, has created a benchmark R&D facility and at a time when the customer has changed in terms of its exposure to quality and style, the change in Identity will help invite a paradigm shift in consumer perception of the company.

- **Focused management with resources:** After identifying the reasons for brand identity crisis the firm hired an outside agency Elephant Design to do the brands rebranding for the firm.
- **Wide distribution network:** The firm has well established own show room as well as service centre all across the India.
- **Loyal customer base:** Since the company is more than 50 years old they have very strong loyal customer base not only for Auto division but also for the other division they have under the brand umbrella Bajaj. One the reason for the loyalty towards the Auto division is being the Indian firm easy availability of the spare parts.
- **Long-held heritage:** Auto Bajaj that has a 30- year-old legacy and was a consistent brand, a conscious decision was made, after witnessing the above reasons for the need to change.
- **Brand awareness has narrowed:** The firm was struggling from the identity crisis as the scooter market was narrowing down with the launch of motorbikes. Brand was being perceived as an old brand.

## 5.9.1.5 Conclusion

The brand Bajaj had been in the market for more fifty years and has been able to sense the changing wave of the youth mindset and responded back in the quality time. Thus we can say that revitalizing a mature brand at requires changing the company product offering, the change should done keeping the employees in the mind as they are the touch points between the company and the customer and brand should logo change should be done very carefully as it is link between the existing customer and new customer who the companies target market.

## 5.10.0.0 Case Study – ‘Motorola: Brand Revitalization Through Design’

### Introduction

When Motorola released its earnings report for the second quarter ending June 2005, analyst and competitors alike were stumped. The company posted revenues of $8.83 billion up from $7.4 billion a year ago and earnings of $993 million against a $203 million loss a year ago. Selling 34 million handsets, the cell phone unit accounted for 55% of the quarterly revenue and $ 498 million in operating earnings. Motorola’s market share increased to 18.1%, a gain of 3.3%, establishing itself firmly as the second largest manufacturer behind Nokia (33% market share). This was an impressive turnaround for a company that had seen market share decline from a high of 51% during 1996 to a low of 13% in 2004 pushing it behind the market leader Nokia and the South Korean rival Samsung.

A key contributor to Motorola’s turnaround was the RAZR V3 (Razr), the thinnest phone ever developed. This ultra-slim and ultra sleek clamshell (flip-phone), which resembled a metal credit card when folded in two, won the coveted Gold Award for 2005 at the annual Industrial Design Excellence Award.

### Motorola’s Journey through the Decades: From 1980s to 2000s

Headquartered in Libertyville, Chicago, Motorola as founded in 1928 by Paul Galvin. Initially known as Galvin Manufacturing, the company created the world’s first commercially successful car radio in 1930. This was followed by walkie-talkie in World War II, the car phone and the pager in 1940 and 1950s. Throughout the 1960 and the 1970, Motorola focused its research on developing a hand held communication device for the masses. Motorola launched its first cellular phone, the “DynaTac” , in 1983. A decade later, engineers at Motorola successfully launched “Star Tac”. This was the first clamshell and was known as the wearable phone. It transformed Motorola into a trendsetter. By, 1995, the company became the undisputed leader of the global call phone market with a 54% share.

Around the same period, competitors such as Ericsson and Nokia brought digital technology to the US. This technology helped these companies incorporate features like better voice quality and greater data storage into their cellular handsets. Unlike its competitors, Motorola refrained from incorporating digital technology in its products. It continued with Star Tac and concentrated on the European and Asian markets rather than its main market, the US. Motorola’s cell phones were perceived as clunky, non-user friendly and expensive by the market.

Motorola’s market share declined further in 2002 and 2003 when, due to problems in its supply chain management, the company could not fulfill the demand for colour and camera phones, ceding holiday sales to Nokia and Samsung. Motorola’s lackluster performance helped Samsung to increase share 13% in 2003 from 7% in 2001.

**Designing the Razr**

After the loss that Motorola suffered in 2001, Galvin hired Mike Zafirovski, a 24 year GE veteran, to reignite handset sales. Understanding the importance of design, Zafirovski brought in outside talent such as Tim Parsey a former Apple executive, Jim Wicks , who had spent a decade at Sony’s innovation centre, to head the design centre at Motorola. By 2003, the design team at Motorola added 120 new members. Motorola produced some hit cell phones such as the V70 ( which was a keyhole shaped phone, which opened with a swivel like blade knife) among others.

However, Razr was different. Not only did it sport a unique design, but also became a major commercial hit. Contrary to the prevailing trend, the Razr as created from the designers’ wish list without much market research input going into its development.

Major innovations in design and engineering were undertaken for developing the Razr.

To make the phone as thin as possible, designer used metal alloys such as aluminum and magnesium, for the phone instead of the commonly used plastic. However, the thinness resulted in increased fragility. Therefore, the outer casing was made of anodized aluminum to enable the phone to withstand daily wear and tear. The use of metal alloy made the phone extremely light weight 100gms. But since the phone was a clamshell design were foldable, the depth of the model depended on the thickness of the keypad. With the conventional raised keys, the thickness of the Razr would have increased dramatically.

To solve this problem, engineers successfully designed the first ever touchpad to be used in a cell phone as the input device. The touchpad was made from a single flat sheet of magnesium and the keys were chemically etched on the surface. The keys were then separated and by thin silicon strips and a blue backlight were used to illuminate the numbers and symbols. This revolutionary keypad was thus wafer- thin and futuristic looking with only one-third the thickness of the conventional keypads. As a result, the phone was less than 14mm thick when closed.

For the first time in Motorola's history, a high-end fashion phone reached completion within 10 months, two months quicker than the normal cycle. After the initial rounds of testing, the Razr was declared fully functional by June 2004, and launched in the market in the fall of the same year.

**Marketing the Razr**

The Razr was the first product from Motorola to deliver on the fashion-meets-functionality promise. For the Razr's advertising campaign, Geoffrey Frost, spot term "transformer" opened in a dark room with a brunette watching a home video on her flat TV. After a while, all the consumer electronic gizmos turned into squares and coalesce into one slim and sleek Moto Razr phone.

For the Asia Pacific region Motorola bypassed the traditional approach and teamed up with BBC to produce short vignettes to sharpen the cool association of the Razr.

In rare show of marketing aggressiveness, Motorola also succeeded in signing Maria Sharapova for the Razr endorsement, which was her first worldwide sponsorship deal. She created the buzz around the Razr and worked with the company on different design ideas helping designers to figure out what was cool.

With the phone's popularity skyrocketing, T-mobile also came on-board, announcing the availability of the Razr at its retail outlets by July 2005.

**Future Strategy and Challenges**

With this new design, Motorola was trying to create "wickedly cool and compelling" products, which were further demarcated by using 4-letter words. The family- based design strategy led to the development of common platforms for manufacturing cell phones, which resulted in increased standardization of parts, reduced manufacturing costs and increased turnaround times. This also aided in streamlining the supply chain with the company reducing the number of suppliers from 44000 in 2001 to 36,000 in 2005, and the number of suppliers from 44,000 in 2001 to 36,000 in 2005 and the number of components it bought for its cell phones from a high of 300,000 in 2001 to 100,000 in 2005 with the further aim of reducing it to 25,000 by the mid 2006.

The effort of the company were paying off 14,000 in 2001 to 36,000 in 2005 and the number of components it bought for its cell phones from a high of 300,000 in 2001 to 100,000 in 2005 with the further aim of reducing it to 25,000 by the mid 2006. The efforts of the company were paying off as profit margin increased from 4% a year ago to 10% in the 2$^{nd}$ quarter of 2005.

## 5.10.1.0 Case Study Analysis – 'Motorola: Brand Revitalization Through Design'

### 5.10.1.1 Introduction

Reviving a brand is not just feasible; it may very well be a more attractive strategy than launching a new brand. As Aaker (1991) pointed out, "the revitalization of a brand is usually less costly and risky than introducing a new brand, which can cost tens of millions and will more likely fail than succeed."

The case study Motorola brand revitalization discusses at length about how the once a market leader brand in its product category lost its entire market to its competitors. Then how the brand made a roaring come back and was able to achieve the market position which it used to lead.

### 5.10.1.2 Reasons for Brand Revitalization

- **Declining market share:** In the year 1983 Motorola launched its first cellular phone, the 'Dynastic'. By the year 1995 the company became the undisputed leader of the global cell phone market with a 54% share. However, around the same period such as Ericsson and Nokia brought digital technology to the US. This technology helped these companies incorporate features like better voice quality and greater data storage into their cellular handsets. Unlike its competitors, Motorola refrained from incorporating digital technology in its products. It continued with its existing models and concentrated on the European and Asian markets rather than its main market, the US. Making use of this opportunity, Nokia introduced "candy bar phones" with easy-to 0use scrollable menus, replaceable covers and changeable ring tones, which become the rage with the young and fashion conscious cell phones users.

- **Declining sales:** Motorola market share declined further in2002 and 2003 when, due to problems in supply chain management, the company could not fulfill the demand for colour and camera phones, ceding holiday sales to Nokia and Samsung.

  Motorola lackluster performance helped the Samsung increase its worldwide share to 13% in 2003 from 7% in 2001cementing its number three position.

  Samsung inched ever closer to Motorola due to its emphasis on manufacturing user friendly and innovatively designed cell phones and in the 3$^{rd}$ quarter of 2004, with a market share of 13.8%, moved ahead of Motorola to become the number two player in the cell phone industry.

### 5.10.1.3 Strategies For Brand Revitalization

- **Change in the leadership**: In January 2004, the board of directors appointed Edward Zander (Zander), who had spent 15 years at Sun Microsystems as the new CEO of Motorola. Only a few weeks later, when Zander came across the Razr, which was still under development, he saw sure-shot success, an iconic product, and put the phone's development on the fast track. The management made many changes within the firm. By 2003 the design team at Motorola added 120 new members including sociologist, psychologist, engineers, graphics designers and software and color specialists. The company opened new design centers in many countries.

- **Product innovation:** Major innovations in designing and engineering were undertaken for developing the Razr. To make the phone as thin as possible, designers used metal alloys such as aluminum and magnesium, for phone instead of the commonly used plastic. However thinness resulted in fragility. Therefore, outer casing was made of anodized aluminum to enable the phone to withstand daily wear and tear. The use of metal alloys made the phone extremely light weight at 100 grams.

Since the phone was a clamshell, there was another dilemma that the designer had to solve. As the clamshell designs were foldable, the depth of the model depended on the thickness of the keypad. With the conventional raised keys, the thickness of the Razr would have increased dramatically. To solve this problem, engineers successfully designed the first ever touchpad to be used in a cell phone as the input device. The touch pad was made from a single flat sheet of magnesium and the keys were chemically etched on the surface. The keys were then separated by thin silicon strips and blue backlight was used to illuminate the numbers and symbols. The revolutionary keypad was wafer-thin and futuristic looking with only one-third of the conventional keypads. As a result, the phone was less then 14mm thick when closed.

The other technological innovations which were incorporated changes made were Bluetooth technology, built-in camera, MP3 ring tones, and dual LCD screen (one internal and another external) along with having excellent voice quality. It was first quad band phone.

For the first time in Motorola history, a high end fashion phone reached completion within ten months, two month quicker than the normal cycle. The phone was launched in the market in the fall of the year 2004.

- **Awareness of changes to consumers:** Motorola succeeded in signing Maria Sharapova (Wimbledon champion in 2004) for the Razr endorsement, which was her first worldwide sponsorship deal. She helped create the buzz around the Razr. By June 2005, the company released special-edition black colored Razr phones for the top 25 Academy Awards (acting and directing) nominees with plans to launch the pink Razr by the of 2005, followed by an entire range in rainbow colors in 2006.

### 5.10.1.4 Parameters of Mature Brand for Brand Revitalization

- **Technological advanced:** Since its launch brand Motorola was the undisputed leader in the US market. But the competitors were getting more technologically advanced feature handsets. So the brand was losing out its market share.

- **Moderate to premium priced:** The handset offered from the brand ranged from moderate to premium price.

- **Companies internal issue:** Company was struggling with strong leadership in the late nineties which was the major reason for the down fall of brand during this tenure.

- **Focused management with resources:** As per the case study after appointing the new CEO for the company saw the turnaround in its product performance in terms of sale, market share and brand recognition.

- **Wide distribution network:** The brand has the wide distribution network all across the US.

- **Brand awareness has narrowed:** When the company was struggling for the leadership the brand awareness has narrowed down and the market share went to as low as 13% which was 54%.

- **Under priced or under promoted:** No promotional activity was done for the brand as it competitors were doing to attract the customers.

### 5.10.1.5 Conclusion

With the phone’s popularity skyrocketing, T-Mobile also came on-board announcing the availability of the Razr at its retail outlets by July 2005.Building on the Razr, the company unveiled the new design strategy for its upcoming products. The company posted revenues of $8.83 billion (as against Wall Street’s estimate of $8.3 to $8.5 billion) up from $7.4 billion a year ago and earnings of $993 million against a $203 million loss a year ago.

Selling 34 million handsets for the quarter as against Wall Street’s estimate of 31 million handsets, the cell phone unit accounted for 55% of the quarterly revenues and $498 million in operating earnings. Motorola market share increased to 18.1%, a gain of 3.3%, establishing itself firmly as the second largest cell phone manufacturer behind Nokia (33% market share). This was an impressive turnaround for a company that had seen its market share decline from a high of 51% during 1996 to a low of 13% in 2004 pushing it behind the market leader Nokia and Samsung.

## 5.11.0.0 Case Study - ‘Young & Happening’

Last fortnight, the Rs 9,000-crore Godrej Group did something it has never done before: changed its brand identity. Flanked by daughter and executive director and president, marketing, Tanya Dubash, chairman of the Godrej Group Adi B Godrej, unveiled the group's colourful new logo before the media and said, "With our new initiatives, we are targeting a growth of 25-30% annually. The purpose of the whole exercise is to make the Godrej brand relevant and contemporary. Tanya is the chief architect of the project."

Shedding its "frumpy old lady" image (chairman Adi Godrej admitted in a 2002 press meet that a Godrej as a brand has the image of "a frumpy old lady" and is looked upon as "an industrial brand"), the 111-year-old Godrej Group now sports a logo in bright colours-green, blue and ruby-a far cry from the staid look it has donned since the Group was founded at Lalbaug, central Mumbai, in 1897. In sync with its new logo, the group has also repositioned the master brand around the proposition of "Brighter Living".

And that's not all. The Group has drawn up a fresh marketing strategy to rejuvenate the Godrej brand both in the domestic and in the international markets. According to Godrej, "Since we are on a global growth path, we wish to have a new brand identity that has an international appeal. Currently, 20% of our total revenues come from the overseas market."

It's not difficult to see why the head of India's foremost business group is keen to change popular perception of the group. His fast moving consumer goods enterprise, Godrej Consumer Products took its first tentative step in the global business arena in October 2005, when it snapped up the Middlesex-based Keyline Brands in an Rs 130 crore deals. Keyline Brands, which has a personal care range that complements that of Godrej (talcum powder, shaving cream, hair colour), was expected to give Godrej brands a no-fuss entry into mom-and-pop stores and supermarkets of countries like the UK. The aim, as stated by the Group then, was to earn at least 50% of its revenues from businesses outside India by 2010.

To this end, the group has outlined a new portfolio management strategy "to maximize the value of the Godrej brand and associated businesses". According to Tanya Dubash, the idea, at the end of the day, is to also appeal to a younger mindset. "Placing progressive consumers at the centre of our product and brand development, we have created a contemporary and aspirational lifestyle brand by repositioning the master brand around the promise of Brighter Living," explains Dubash.

But why is the Group looking to the West? The answer is simple. The market for personal grooming categories is far bigger. For instance, the size of the hair colour market in India is just around Rs 550-600 crore. In the UK, it is at least five times that size. Of course, Keyline's hair colour brands are not that big. But what it offers is a readymade distribution channel.

In a bid to forge a link between brand investments and business results, the group has created dedicated teams to generate ideas for growth. For starters, the group has set up a strategic marketing group to manage the Godrej brand as one entity. "We have also formed a FMCG Portfolio Group to leverage cross-business synergies to achieve our goal, Vision 2012, a tripling of revenues. Also, we are looking at propriety consumer insight to develop brand positioning and growth model," informs Dubash.

The Group hopes to create a strong brand franchise through new plans for product and brand development, retail channel strategy, communication and talent management. In the first phase, the group is planning to build the Godrej master brand in tandem with the four businesses of personal grooming, furniture, property and aerospace. "Our core focus will be on our four businesses, Hero Businesses. We are investing in driving performance of businesses that leverage the Godrej expertise, experience and equity," explains Dubash.

This aggressiveness was long overdue. Among the largest family-owned businesses in the country, the Group's legacy of innovation dates right back to early days when it started its journey from a garage-like shed adjacent to Bombay Gas Company Works manufacturing locks. Godrej quickly became a household name, and went on to become a national symbol of innovation offering an array of products that ranged from security equipment to soaps produced, for the first time, from vegetable oil.

According to an industry analyst based in Mumbai, increasingly, Indian conglomerates with global footprints are opting for monolithic brand identities that synergies group companies and create international appeal. Jagdeep Kapoor, chairman and managing director, Samsika Marketing Consultants, thinks the Godrej Group's effort is well-timed.

"The group has chosen the right time to release its new image riding on the excitement generated by the IPL matches."

To be sure, the group has joined the Indian Premier League brand wagon to draw attention to its new avatar. "We are a core sponsor of the IPL television broadcast. It's a great vehicle to convey our message," says Dubash.

To drive home the positioning, the Godrej Group is getting ready to launch an aggressive multi-media ad campaign in a week. Advertising major JWT India has designed the Godrej Group's new advertising campaign. "We will be launching a corporate film to showcase our new positioning. In fact, our new mass media campaigns will show how we have changed," informs Dubash.

Not everyone is impressed though. A leading brand consultant based in Mumbai says, "A logo change by itself is not enough. A logo is what a logo does. What I mean is, what it will do in terms of actual implementation will decide the value of the logo."

**United colours of Godrej**

Ever since the Godrej Group was founded at Lalbaug, central Mumbai in 1887, the group had sported a traditional logo that's common for all its business ranging from steel cupboards, soaps, hair dye, refrigerators, edible oil and furniture. The group has now opted for a new brand identity to acquire an international appeal in global markets. "We have gone a brand identity makeover for the first time since inception," says Godrej Group executive director and president, marketing, Tanya Dubash. "We have modernized out brand identity to make it distinct and vibrant. For instance, the colour green in our logo connotes growth and harmony with the nature, while blue signals big ideas and innovation. Finally, ruby stands for passion, energy and endurance."

Prior to the move, the group's different companies sported corporate logos in different hues and sizes. While Godrej Agrovet had its logo in green, Godrej Consumer Products sported a blue logo. Other companies in the Godrej fold (Godrej Properties, Hershey Godrej Beverages & Foods, Godrej Global Solutions, Godrej Hi Care, Godrej Sara Lee and Godrej &Boyce Manufacturing) also sported different logos in different colours till last year. In 2007, the group had harmonized the corporate logos of its eight companies under a single entity in blazing red.

A four-pronged strategy

The Godrej group has identified four businesses as Hero Businesses:

- Personal Grooming: The idea is to invest in hair colours as a marquee category in its personal grooming portfolio through specific projects in the next six months. Leverage strong brands like Cinthol.

- Properties: The Group plans to build its presence in the real estate market as a brand that actually "delivers on imagination across a portfolio of residential and commercial projects".

- Furniture: To drive growth in the home and office business and focus it as a lifestyle brand.

- Appliances: The objective is to benefit from the group's technological capabilities.

**Lock, stock and barrel**

Originally, a lock manufacturing firm founded by Ardeshir Godrej, over a century of existence the Godrej Group has branched into areas as diverse as insecticides, personal care, agri products, security systems, home appliances, office equipment, machine tools, chemicals and real estate. Incidentally, in 2002, the group had commissioned a study whose results indicated that Godrej was seen as “an industrial brand".

So two years ago the Group appointed global brand consultancy firm Interbrand to reposition the Godrej brand with a makeover strategy that projects the Group as modern as well as contemporary. "We started with a detailed understanding of the Godrej brand over the course of 18 months across all stakeholders with Interbrand UK as consultant," says Tanya Dubash, the mastermind of the Godrej makeover. "We studied the Godrej brand across employees, consumers, investors and business partners and redefine our approach to harnessing the brand's intrinsic strengths," she adds. The result: a new logo in green, blue and ruby and a new brand proposition, "Brighter Living".

# 5.11.1.0 Case Study Analysis – 'Young & Happening'

## 5.11.1.1 Introduction

Established in 1897, the Godrej group has grown in India from the days of the charkha to nights at the call centers. Its founder, Ardeshir Godrej, lawyer-turned-locksmith, was a persistent inventor and a strong visionary who could see the spark in the future. His inventions, manufactured by his brother Pirojsha Godrej, were the foundation of today's Godrej Empire. One of India's most trusted brand, Godrej enjoys the patronage and trust of over 470 million Indians every single day.

With 7 major companies with interests in real estate, FMCG, industrial engineering, appliances, furniture, security and agri care – to name a few – group turnover crosses 2.6 billion dollars. 20% of the group is from overseas. Their presence is in more than 60 countries.

More than a century old group wants to revitalise it brand and brand name as per the case study. We will discuss why the group wanted to revitalize the brand and how they will do it.

## 5.11.1.2 Reasons For Brand Revitalization

- **Change the brand image of the group:** The management wants to change its image of "frumpy old lady" to "an industrial brand" with the concept of "Brighter Living".

- **Increase the geographical market:** As mentioned earlier companies 20% business comes from overseas. The group is looking to increase its international business revenue. So brand image should be such that it should appeal to both domestic as well as international consumers.

- **Identify major business:** the groups have many companies and with passage of time it has diversified into many. The group needs to identify its main revenue generating business and focus on them which would in turn help to manage it more efficiently and effectively.

### 5.11.1.3 Strategies For Brand Revitalization

- **Repositioning the brand:** The group wants to reposition its brand as an industrial brand as the group has many business and for every business they want it should appeal the consumer both domestic and international market.

- **Change brand logo:** As the group have many companies like Consumer Products, Properties, Beverages & Foods, Global Solutions, Hi Care and Sara Lee. Prior to the revitalization measures, the group's different companies sported corporate logos in different hues and sizes. While Godrej Agrovet had its logo in green, Godrej Consumer Products sported a blue logo. Other companies in the Godrej fold (Godrej Properties, Hershey Godrej Beverages & Foods, Godrej Global Solutions, Godrej Hi Care, Godrej Sara Lee and Godrej &Boyce Manufacturing) also sported different logos in different colours till last year. In 2007, the group had harmonized the corporate logos of its eight companies under a single entity in blazing red.

- **Brand logo colours:** The brand logo colours have been chosen to make brand identity distinct and vibrant. For instance, the colour green in the logo connotes growth and harmony with the nature, while blue signals big ideas and innovation. Finally, ruby stands for passion, energy and endurance.

- **Group main business focus:** The Godrej group has identified four businesses as Hero Businesses:

    - **Personal Grooming:** The idea is to invest in hair colours as a marquee category in its personal grooming portfolio through specific projects in the next six months. Leverage strong brands like Cinthol.

- **Properties:** The Group plans to build its presence in the real estate market as a brand that actually "delivers on imagination across a portfolio of residential and commercial projects".

- **Furniture:** To drive growth in the home and office business and focus it as a lifestyle brand.

- **Appliances:** The objective is to benefit from the group's technological capabilities.

- **New distribution outlets:** The Group hopes to create a strong brand franchise through new plans for product and brand development, retail channel strategy, communication and talent management. In the first phase, the group is planning to build the Godrej master brand in tandem with the four businesses of personal grooming, furniture, property and appliances.

- **Multiple marketing communication programs**: To drive home the positioning, the Godrej Group is getting ready to launch an aggressive multi-media ad campaign in a week. Advertising major JWT India has designed the Godrej Group's new advertising campaign. Corporate film would be launched to showcase new positioning. New mass media campaigns will show how group have changed.

- **International market:** The market for personal grooming categories is far bigger. For instance, the size of the hair colour market in India is just around Rs 550-600 crore. In the UK, it is at least five times that size. Of course, Keyline's hair colour brands are not that big. But what it offers is a readymade distribution channel. So the company is focusing on the potential International market and increases its revenue.

## 5.11.1.4 Parameters Of Mature Brand For Brand Revitalization

- **Focused management with resources:** The group has focused management with resources to give the brand new identity and image.

- **Wide distribution network:** The company has wide distribution network and is planning to increase the same through franchise network.

- **Long-held heritage:** The company is more than a century old and has been able to establish itself internationally also.

- **Brand Awareness:** The brand awareness needs to be changed as brand is perceived to be an old brand to change the same new logo had been adopted by the group for its various businesses.

- **A distinct Point-of-Differentiation:** The brand is well known for its quality, innovations, reliability and consistency.

- **Moderate to premium priced:** The group have product which ranges from moderate to premium priced.

- **Loyal customer base:** The brand has loyal customer base which had been build over the years.

## 5.11.1.5 Conclusion

As per the above discussion we can say that the Godrej as a group had been built as an Empire and is now seeking itself to be established as an industrial brand. The brand has been steadily and successfully grown in domestic and international market. Groups twenty percent revenue is generated from overseas market. Thus, like Tata and Reliance Godrej had been able to establish internationally.

The group has taken the major decision to change its brand identity as it should be appealing to both domestic and international consumers. This aggressiveness was long overdue. Among the largest family-owned businesses in the country, the Group's legacy of innovation dates right back to early days when it started its journey from a garage-like shed adjacent to Bombay Gas Company Works manufacturing locks. Godrej quickly became a household name, and went on to become a national symbol of innovation offering an array of products that ranged from security equipment to soaps produced, for the first time, from vegetable oil. According to Jagdeep Kapoor, chairman and managing director, Samsika Marketing Consultants, thinks the Godrej Group's effort is well-timed. "The group has chosen the right time to release its new image riding on the excitement generated by the IPL matches."

## 5.12.0.0 Summary

A business case study is a detailed intensive study of a unit, such as a corporation or a corporate division that stresses factors contributing to its success or failure. A form of qualitative descriptive research, the case study looks intensely at an individual or small participant pool, drawing conclusions only about that participant or group and only in that specific context. Researchers do not focus on the discovery of a universal, generalize truth, nor do they typically look for cause-effect relationships; instead, emphasis is placed on exploration and description. Thus in this chapter diverse case studies were considered.

The analysis was done in five stages namely:

- Introduction
- Reasons for brand revitalization
- Strategies for brand revitalization
- Parameters of Mature Brand for Brand Revitalization
- Conclusion

This helped in gaining the insight for the each case study. In most of the cases the revitalization strategy was repeated. This helped in drawing the conclusion that how the brand struggling different problem can use the same revitalization strategy. For example Voltas opened new distribution outlets as the existing outlet were not performing as per the expectation. Britannia in turn opened the outlets to increase its reach to its customers.

Hence the strategies discussed in this chapter would be used to frame the strategies for the brand revitalization in the next chapter.