

Marketing Management - II
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Lecture No. W4-L1
Global Dimensions of Brands

Hello welcome to our week four of the course on marketing management advanced concepts or MM2 as we call it and I have here my usual partner professor Shashi Shekhar Mishra and I am Jayanta Chatterjee. We are both at IIT, Kanpur. In the earlier week three Dr. Mishra has introduced to you to all the fundamental concepts relating to brand architecture brand equity and so on. This week we are going to look at some specific topics of with respect to brand.

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But particularly, we try to study managing the brand globally over the life cycle of that product over the life cycle of that category of the industry. We will try to develop the broad canvas where brand makes its mark and will also look at brand management and its complexities on this big business converse and try to understand the portfolio approach or multiple facade of the strategy which we call brand strategy. Today I am going to discuss some of the global dimensions related to brand.

And I also try to bring to you notice the challenges that marketing communication phases in the context of brand management in this global scenario so whether you look at this consumer behavior which we call B2C arena.

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You will see that these brands are as local as they are global. So, in the context of brand management this world local its quite popular thing global and act local. So, Coca cola is a global brand, it retains many of its global properties that create its global image. That creates preference for coca cola, but it is also repositions that brand and the global brand. But global brand, which is associated with youth and with style and urbaness.

In India, for the rural market, the repositioning is done with the communication package that says panda mat lab coca cola which actually combines vernacular language combines the traditional international image and tries to bring together this globalness as well as the local appeal all of the other brands that you see there colgate or olay or tide or starbucks all these brands are now as present in India.

As they are force elsewhere in the world and we will discuss I just turned what you have suggested because if you go to the major part of the country what you will see is that people going to a shop and they will say candidate oh! that really so from there world has come in the research and they have picked up and that is are they have linked and a methyl of coca cola so

that category has been linked and that leadership is has been try to establish excellent that connotation.

That's how they developed that campaign very good and we will look at some of these campaign issues this whole issue of thing the global and act local today through some of the other examples when it comes to the btwob or business to business arena again on your screen.

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You see a host of global brands very strong many of them very strong in india some of them like in india Siemens are present in india for almost hundred years and so our city or federal express. We will be discussing about ingredient brand we will discuss it even later in more detail. But you see some of these brands like airbus what we come in contact with is the service the airlines service of indigo or air India or jet airways.

But today we also pay attention that what kind of aircraft they are flying whether it is an a three twenty or boeing seven four seven and so on. So, you see in a way these brands go beyond the front line and even we learn looking inside the front brand which is airindia and we become conscious about that what aircraft they are flying and such questions there lies the power of brand

Which today particularly in the btwob arena have to go beyond the first step and may have to go several steps into the value chain back into the value chain to create strength. So later on, we will discuss the whole issue about how Intel inside created a brand great case of a brand strength creation. You will also see on this screen. We have Wipro, Infosys. These are Indian brands. Which are now global so you see brand has this challenge that it has to address the global arena.

It is also to be meaningful in the local arena and sometimes the brand which becomes salient in the local arena. We have to then make itself relevant for the global arena so this is the continuous challenge I think your slide actually burst the myth of among the academician that the branding is all about the btwoc brand don't exist but your slide shows excellent examples of some of the brands which exist in btwob absolutely.

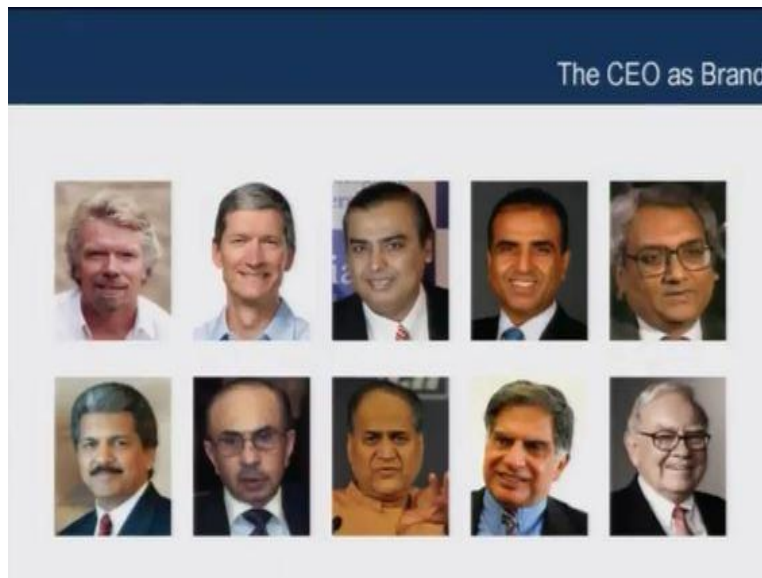
So, it basically burst into the two type of notions. That brand is all about emotional. They do not have functional value which is not true the second thing is all btwob decision making process or the decision makers. Their entire decision making is rational which is also not true absolutely and the existence of these brand prove this two myth or notion to be not so correct and as I like to discuss today that a brand has a big role to play in the buying process by taking away uncertainty and reducing the perception of risk and that is a strong play in the btwob arena that at the end.

When there are say Siemens and very close competitors. So, in terms of logical reasoning they will almost be in just here and there so as we say local language. Since, we are colleague talking about local like is beasts but then at the end the decision is taken almost on the basis of certain emotions some sense of security which is taken felt by the top management or by the small decision-making unit at the last stage and that is why these brands.

They do have to build they do have to build themselves may be based on service may be based on assurance may be based on fit and forget lot of approach that is fundamentally you have to create the impression in a btwob arena that if that brand is chosen you will have good sleep at night. So, many of the factory manager's presidents of large companies they prefer these companies as I think there is a famous saying that you can never be fired.

If you choose IBM you know there are no early has been ever fired something like that so again that actually highlights that the sense of security that these brands tend to create also these companies need to develop even they are this is another aspect of branding normally we associate brands with the product and the service but these days and the CEO's of companies they are as relevant for the branding exercise as their products and services.

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So, Richard Branson his brand virgin stragling multiple markets beat airlines beat different kinds of cargo services communications telecommunications. So, this company has to build the virgin brand across multiple businesses which will be just now discussing some of those strategies. But they have to also separately build the image of brand Richard and you know his flamboyant personality.

He is many different feats that he attempts and so that makes the story of the brand much more of an association get transferred through the image of the CEO's or absolutely and as we will discuss that these very large corporations while they have to develop the product brand. But there can be very large businesses like reliance where the product itself you know the gas or the commodity that is that brand branding is in anywhere if pushed back.

Towards the corporate brand and when reliance develops its corporate brand it has to take a multi faceted approach it has to focus on various kinds of philanthropic activities of the Ambani family

and so on they have to go beyond the usual logical pillars and they have to create an aura many other things. That is something that I want to discuss over this session and the next session.

So again, as you see whether it is warren buffet or retan tata or Mahindra via their product branch and the personality brands of the CEO's and the managing director's chairman. They all are become very important that's why you know in case of warren buffet we have buffet to logic. It's almost like a financial investment strategy and by that they bring out the brand brings out the whole story about success about the business strength and all that the branding is also important in the not for profit market.

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So, these are some of the famous likes cry child rights and you it's an indian brand and but today it has also the global food print it relates to many agencies abroad and so you can see here again brand is very important to attract the donors to create the resources and also to make the reach out possible we also when like this is cause marketing or yes so, they so they are often related to cause marketing cause marketing of course is also often used by for profit or gamma rho sense.

But branding in the not for profit organization in that area is by itself is quite an interesting exercise and interesting studies. If you look at UNICEF or you look at Red Cross or if you look at various other trusts who are operating in India which oh now today very interestingly just like the social media in that domain very popular word is mash up. We are actually you take

information as streams from different sources and put them together to make some meaningful presentation. So, I have tried to create this mash up or cloud sort of image.

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To show that the brand kind of connects two different facades of our life so here as you see whether it is ipl India very popular cricket league. So, the teams like Chennai super kings and Kolkata knight riders but they are also associated with famous personalities and they are also associated with various kinds of internet or high-tech companies also commercial brands so or b2c brands. So, this b2c b2b personality event brands like IPL or all they are all connected very connected today

So it's very difficult to these days I think I just use this slide also sort of project that may be five years from now when we have this discussion many of the traditional definitions of branding that brand is for more for consumer goods for brand is based on emotion many of these brand is kind of a complementary to factual type of marketing or logic based marketing all these I think will take new meanings in this all the time connected and always available sort of world the twenty four by seven world and this ubiquitousness of the social media.

I think will make brand many ways much more relevant. But many of the traditional definitions of branding or many of the traditional approaches to brand building perhaps will become a irrelevant. So, the new meanings will come out.

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Brand Associations: *Basis for beliefs about*

- Product attributes
- Customer benefits, values, and experiences
- Culture
- Users

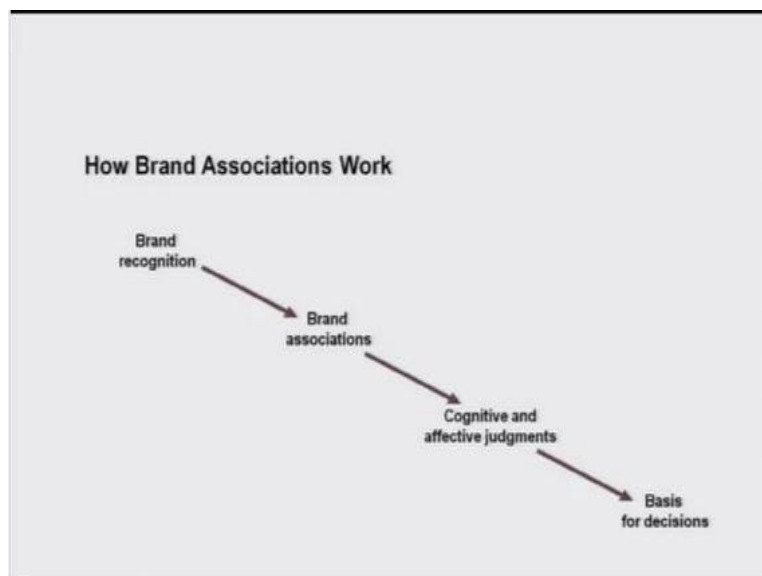
Brand Associations: *Effective if*

- Strong
- Favorable
- Unique

So usually brand associations are about you know more concrete things like product attributes customer benefits factual things blended with culture use emotion sense of security and all that so in a way the brand association for to become effective.

It must have some solid strong points coming from those origins as well as it must ultimately tell some of interesting unique story. So, this is usually how the brand association work which you have also referred many times in your last week's discussion the brand recognition to brand association.

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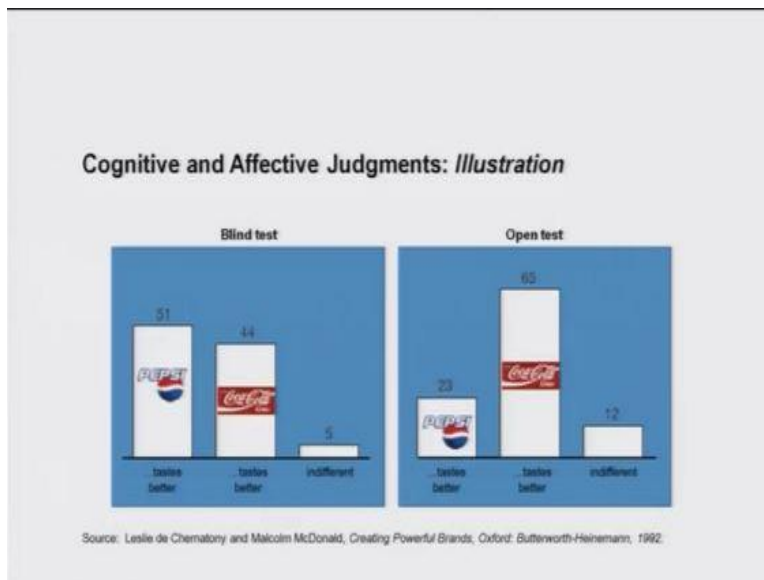
To cognitive and affective judgments where the point is coming that it is not only the effective or emotion part. Today the brand also is based on many factual are and concrete data often because earlier it was difficult now people can immediately search for yes cognitive inputs and specification data mileage big rate communication speed all these things in many any purchasing and also the users can read the reviews and find out and the other users review even in btwob domain the same industry.

The competing companies sometimes share the information so in fact what it was earlier used as so-called endorsement marketing or celebrity endorsement or reference marketing is now not driven by the companies. It is actually customers drive it by sharing their own experiences and that's why the social media influence is now a strong element to consider even for btwob even for mundane engineering products.

So, I borrow from very famous 1992 research which actually showed that earlier the power of branding this was the very interesting controlled experiment they date and this is actually from that book creating powerful brands that did it blind test and that means they did not reveal what brand they were of the half the respondents were blind folded yes and half at actually so they these are two parallel experiments.

So very interestingly when there was no brand shown then they preferred coke, preferred Pepsi and say this one taste is better. But woman the brands were revealed the people says know the coke is better and you see how much more how strongly it shifts the swing he is very significant yes forty-four to sixty five percent exactly on other side for Pepsi almost came by the same number which is twenty-eight years that comes from fifty-five to twenty-three.

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So, it shows the power of brand power of brand tradition power of brand history and continuing relevant and so on. So, this is why it shows that that the cognitive or logic based customer judgment will swing. You know the customer are divided on his own on his or her own taste and make that cognitive judgment. So, it was possible better but the moment it came it changed. So even the performance of the product is also being influence by the presence absolutely customer will almost ignore to some extent the performance part.

Because of the it believes that is created by the blind say that the way they look something a product offering they start looking more positively towards the favorable brand absolutely they will offer over look some of the shortcomings or they over look some of the strong points of the of a brand which is weaker so it takes hurt us to probably back to a some of the points that benefits of the brand that customers have strong run generate lot of when a very high loyalty and they keeps the competitor at the bay actually.

So the competitors will not able to penetrating in your market so easily or even it will be costly to struggle with an incumbent challenging incumbent brand which you have discussed the last week session I think what I would like to start is to perhaps I would like to end today just I will take couple of more minutes and introduces the small exercise and that is that is you see a to end

the last discussion we were having that if the coffee is presented to you just a say normal coffee you are satisfaction perhaps goes up when you see that it is coming from ccd.

And you are ready to pay more and or the taste of the beer or the water perhaps changes you here Maya you feel the water is more pure or more safe something you know that that is caused by the branding effort.

So, the exercise which I was trying to leave on which have to close today session is for all of you take this an exercise where which you can submit to the forum and that is suppose you want to launch a new beverage you want to develop a new beverage product. And you want to launch that in the market and as you see here.

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We have looked that we are all you can position your product individual at a level right at the bottom where you will actually highlight the product itself or the product line or the group of product lines. So where should it so suppose you are a large player already in the food and beverage market and you are a new brand manager in such a company and the task you have that company wants to launch a new beverage.

And you have to select where all you want to position that whether you want to focus only as a product brand or you want to focus at every level of the pyramid or only two levels of the pyramid. So, look at this pyramid very carefully and think about it and we will start from here Tomorrow. Thank You.