

Indian market is flooded with brands while consumers are finding it difficult to stay afloat. Competition, demands and innovation are the key aspects to sustain in the battle. But what are the aspects to be avoided? Shweta Iyer talks about the pros and cons of launching a new brand and tries to find a success mantra to survive in the industry through thick and thin.

# In India it's a "Brand" New Story Everyday!





In the last few months India has witnessed a galore of newly launched brands and brand extensions leading to a surge in the marketplace. A recent report states 1,500 brand launches happened in the past 18 months, thus leading to three launches per day. Out of this only five percent make the cut. With the aim to make it big, they prefer to jump rather than take baby steps, resulting in failure of their brand identity. Every sector including FMCG, telecom, retail, lifestyle, electronics and automotive has one new launch to its credit, every single month.

#### Slow and steady wins the race

Big retailers to small time investors and international brands foresee India as the biggest retail hub. Many brands feel that Indian audience welcome every new product in sundry. With exhaustive thesis, consumer study and other researches, new brands have their retail theory in place but yet fail to make the mark. "One of the enduring marketing myths is that a new brand that will eventually become a big brand has to take off in a hurry. And that a marketer should devote enormous resources to assure a rocket-ship launch. Taking it slow by understanding the pulse of the audience should be the prime objective," says Johnny John, co-World Player from SKNL. Each category is different from the other. For instance: FMCG is faster than apparel while hi-tech machines win over automobiles. Dedicating time and being patient as the brand grows is crucial for any retailer. And for creating a brand identity,

promotions, campaigns, offers and discounts, and other advertising gimmicks are equally important.

Take Microsoft, for example. It might be hard to believe, but the brand took quite a long time to get off the runway. Microsoft took ten years to exceed \$100 million in annual sales. Wal-Mart took 14 years to break \$100 million in annual sales. Today the brand has become the world's largest retailer. The turning point for a new brand comes when slow initial sales suddenly accelerate towards the mass market. The largest, most powerful brands, the brands that have stood the test of time, are the brands that have taken off slowly. The brands that take off rapidly like a rocket ship usually turn out to be fads. Big Bazaar opened its first store in 2001. Being the first departmental store that offered everything under one roof, Big Bazaar is the most

successful retail venture in India. According to a report, "starting 2008 with six million square feet of retail space and stores in 51 cities pan India, they ended the year with over 11 million square feet of retail space and over 1,000 operational stores across 63 cities and towns and 65 rural locations in India. They opened 25 Big Bazaar stores in 2008 and carried the total store count to 104. The company saw a 52 per cent increase in its total income from ` 33.29 billion in FY 2006-07 to ` 50.53 billion in FY 2007-08." Today, Big Bazaar has 133 outlets across the country.

#### Missed the bus

Where there are success stories, there are also brands that missed the bus. The FMCG brand Marico had to withdraw the debut of its healthy snack – Saffola Zest – due to poor market response received. Marico has been trying to rework the flavor

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and taste for some time, following consumer feedback and is planning to re-launch the brand in next couple of coming months. The withdrawal from the market implies the company has not been successful in reworking the taste easily. Saffola Zest faced fierce competition from Parle Agro's Hippo, Pepsi Frito-Lays Aliva and Parle Products Monaco Smart Chips. It is also planning to launch Saffola Oats in the breakfast cereal market in India, which the company is positive about. Reports stated, "The total market worth of the breakfast cereal is Rs 500 crore while the oats market is small with ` 120 cr and is rolling at 25 per cent yearly." The other major players in this category include PepsiCo's Quaker Oats and Bagrry's. Kellogg's is also a strong and dominant player in corn flakes, with an over 70 per cent share.

Maggi instant noodles, foods major Nestle's flagship brand which has dominated instant noodles for nearly three decades, is losing market share

on a monthly basis to newer entrants such as GlaxoSmithKline's (GSK) Horlicks Foodles, Hindustan Unilever's (HUL) Knorr Soupy noodles, Big Bazaar's Tasty Treat, Top Ramen and several other smaller players, according to data by market research firm Nielsen. The data shows that Maggi's share of instant noodles, on an all-India basis, across urban markets, has slipped consistently in the period between December'09 to July'10. While Maggi instant noodles (minus vermicelli) had a 90.7 per cent share in December'09, the share dropped to 86.5 per cent in July'10 on an all-India basis. A regional split of the data shows that Maggi's instant noodles' value market share has fallen across the east, south, north and west zones for the same period. Analysts say with new competition, Maggi's market share is certain to get impacted. However, they also say that Nestle has the potential to expand the 1,300-crore instant noodles category - which itself is growing at a rapid 15

per cent annually. Nestle had launched Maggi in 1984 as the country's first national-level instant foods snack. The company is pushing distribution on tier-two and three-towns and rural markets. Last year, it extended Maggi to variants aimed at bottom-of-pyramid consumers.

### New Brand Launches

Brand launches and extensions have been an integral part of any company's expansion plans. Budgets are allotted taking care of brand promotions and campaigns. Innovation has been the watch word for any new brand for recognition and retail presence. Let's have a look at few of the newly launched brands or products and their survival strategies.

S. Kumars Nationwide Limited (SKNL) – India's leading Textile and Apparel Company with expertise in multi-fiber manufacturing launched its new apparel brand World Player in Andhra Pradesh. True to SKNL's mission of catering to the entire spectrum of the socio-economic segments of the Indian market, World Player offers fashion solutions for today's young achievers at the bottom of the economic pyramid. World Player by S.Kumars' is the first brand devised and created for the lower-mid segment of the market who strives for excellence and quality of life. Talking about the brand strategy and promotions, World Player has followed aayaram gayaram culture while launching the brand. Launched in April 2010, the brand is already present in 650 MBOs across 300 different towns. The brand likes to take it slow and avoid doing too much too soon. For campaigning, World



Player sent a mobile van in various areas in South with small display of products, and to give touch and feel experience to the consumers, with contest inside. It got tremendous response as it allowed the customers to connect with the brand. According to Johnny, "Strong brand proposition is required, advertising and other things just amplifies it.

Innovation is something which Kurl-on has always looked upon, keeping this in mind they are coming up with new innovative folded spring mattress both in bonnel and pocket spring which will be introduced for the first time in the country and will be called "Athiti". This can be folded and packed properly while being used as an extra mattress for the guest (atithi). Kurl-on, also introduces three new types of pillows being released in

the market during this month including Stomach sleeper Pillow, Side sleeper Pillow and Pillow for pregnant women. The brand has recently entered furniture retailing. The range includes furniture for living, dining and bed rooms. A dealer network of 5500 across India, Kurl-on now has its wings spanning across 47 offices and 50 godowns strategically located all over the country.

D'décor, a premium home furnishings brand was started in 1998-99 and is recently re-launched in a complete new avatar. The brand flaunts Bollywood superstar Shahrukh Khan and his wife Gauri Khan as its brand ambassadors. "Having made our mark on international grounds in manufacturing, we launched an innovative business model in distribution in India which created

paradigm shift in the distribution model in the home furnishings industry in our country. We wish to make even this step an equal success as our manufacturing and distribution. We shall think of further vertical integration by means of shop-in-shops, franchisee or own stores," shares Nikita Desai, lead-business excellence, D'décor.

With a strong presence internationally, Valia Retail-the leaders in manufacturing and export of exquisite and high end textiles and accessories has forayed into the retail of high end home furnishing and lifestyle products, with the unveiling of its flagship store- Veaura- a home décor destination in Mumbai. The store presents a contemporary western and modern approach to home furnishings is spearheaded by



Varun Valia. The brand also plans to open its store in Delhi and other metros in the coming months.

Provogue India plans to foray into the fashion watch segment by next month and is eyeing around ` 20-25 crore revenue from this business over the next 18 months, said a top company official. "We are entering the watch segment next month and plan to launch 20 models initially. The watch category in India is growing fast. We will initially start with the top five metros and then move into other cities. We have a manufacturing

contract with Fossil and the products would be manufactured at its Himachal unit," said Akhil Chaturvedi, director, Provogue India. Currently, there are 120 Provogue stores and the company plans to add about 75 more in the current fiscal.

Tata International, the overseas trading company of the Tata Group has decided to enter footwear retailing. Tata International, a manufacturer and trader of leather products, makes shoes for several known global brands including Escada and Hush Puppies. Tata

International will sell the formal and fashion leather shoes under its own brand, the sources said. Big retailers such as Reliance Retail, through Reliance Footprint, and Future Group, which has tied up with UK-shoe retailer Clarks, too have ambitious plans for its footwear segment.

Catwalk plans to extend the EBO from purely company owned to the franchisee system to reach out farther and across the length and breadth of the country. To achieve this goal of exponential growth

#### Importance of brand building and expectations from the new brand

Context, Consistency and Constancy are three critical components of brand building. First of all, a brand must be relevant to the customer's context – it may be very well to use phrases such as "selling ice to Eskimos" as examples of salesmanship, but for a brand to take hold and grow, its relevance is the most important factor. For instance, cold breakfasts, energy drinks, and snack bars were irrelevant to most Indian consumers' context only a few years ago, even though they were very popular elsewhere in the world. As the relevance and acceptability has increased (especially to globally connected young consumers) the context has become more favourable to brands selling these products. Secondly, a brand must stay consistent to its values, the message and the benefits it offers. If there is lack of consistency across the media, or across sub-markets, or over a period of time, the brand is typically weaker, and it takes much longer and much more funding to build. Thirdly, it is important to keep the brand visible at regular intervals, rather than investing in very high visibility at one point of time, and then virtually disappearing until the next burst.

A brand's performance needs to be judged on internal benchmarks as well, not just external (industry) comparisons. Success for one brand may be market penetration, for another it may be the aspiration value and the premium it can charge over competing brands. Good brands are seldom built in a short period of time. So it is really a personal call of the brand owner/manager to say what defines "success", what time frame to allow a brand to succeed, and whether and when to pull the plug on a brand. Finally, success (or failure) is very dynamic: established brands can die, and sometimes dying brands can be revived or transformed. One example of this dynamism is Burberry, that went from fuddy-duddy to highly fashionable, to then being associated with juvenile delinquents, and then to being upmarket again.

By Devangshu Dutta, chief executive-Third Eyesight



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advertising and local promotional activities will play a key role. Catwalk plans to have store launch activities, outdoor activities, brand building activities and is also looking to utilize the viral marketing tool (social networking websites, etc) for effective brand communication strategies. "Along with quantity we believe quality should not take a hit and hence we would continue investing time and money into our IT systems, so as to ensure smooth and efficient growth," shares Rahul Doshi, business planner-Corporate Strategy, Catwalk Worldwide Private Limited. Talking about the competition and sustaining in the market, Doshi adds, "The major competition for Catwalk comes from the unorganized market. Influx of international players is also being keenly watched here at Catwalk. The brand knew that sooner rather than later, the organized sector would generate interest from the international market and hence has already employed customer engagement activities.

**Understanding the market dynamics**  
When launching a new product, it is not enough to understand how the product is performing. It is equally important to know who is buying, where the volume is being sourced, and whether the product is attracting new or existing category buyers. India being the emerging hub for new brands and extension lines is comparatively better than markets in the West. The growing market for organized products is on a high. And, as the modern trade evolves, the need for organized products segment is likely to grow.



According to a report prepared by retail and management consultancy Technopak, organised retail in India is likely to touch 25 per cent in the next 10 years from the current 5 per cent. In the FMCG sector, Kwaliti Dairy India Ltd (KDIL), manufacturer of a wide range of dairy products has launched Dairy Best Ghee. KDIL's product range also includes all SKU's of pure ghee, skimmed milk powder (SMP), dairy whitener (DW), whole

milk powder (WMP), ice cream mix powder (ICMP), butter and ghee, both in bulk as well as in consumer packs. Future Group has launched "Ektaa" brand that offers a range of food products from diverse communities of India. With the launch of Ektaa, customers can opt for authentic native Indian foods procured from the best growing areas. The first product to be launched in this series is popular

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variants of rice from different states of the country. At the beginning – the new branded rice would be available in five variants – Red Matta, Sona Masoori, Govind Bhog, Ambe Mohar and Basmati. The five variants of Ektaa rice will be available in packs of 1 kg and 5 kg, across all the Big Bazaar/Food Bazaar stores in the country. The brand plans to launch a series of product launches like wheat, regional spices, pickles, papads in phases, giving customers a large basket of community foods to choose from across the formats.

Being ready with the new product is not the only criteria as mentioned before. Promotions and constant innovative retail strategies allow the consumers to touch and feel the product. For instance: Big Bazaar's 'Shubh Mahurat' programme was started with an aim to launch new products for its consumers every month. After 'Tasty Treat Cereals' and 'Milestone Strolley Bags', the retail giant recently launched Minute Maid Nimbu Fresh. Such unique offerings allow the customers to indulge and have a refreshing experience. Also, add the promotional initiatives like "Juna do naya lo", "sabse sasta din" and "maha bachat sale" that allured customers to splurge. Developing new products requires effective ways to minimize risk and maximise gain. New ideas need to be thoroughly tested and evaluated to reduce risks and helps fine-tune the marketing mix before launch. The key issues range from idea generation to proper marketing.

In the electronic segment, BlackBerry manufacturer RIM unveils a tablet



device named BlackPad. The new tablet PC will feature a seven-inch touch screen and one or two built-in cameras, apart from Bluetooth and broadband connections. However, it will only be able to connect to cellular networks through a BlackBerry smartphone, said the report. Apart from Blackberry, Motorola also plans to launch a tablet PC, as is the case of Samsung, which is entering the tablet PC market with Galaxy Tab. Dell has already debuted its Streak tablet computer, while Asustek, Acer, Lenovo and Cisco are also planning to enter the race.

### Expert take

All the leading and established brands feel that the customer is a very important entity. It is mandatory to fulfill the needs, wants, desires and aspirations of discerning audience. Brands must make promises to their customers. They must promise relevant, differentiated benefits. They must offer unique value propositions. And, even more

importantly, they must deliver on those promises/value propositions. Leading brands have a highly compelling brand promise and ensure that the promise is delivered at each point of customer contact.

According to Johnny, few of the factors to be kept in mind while launching a brand includes: "Calibrated approach, target consumer and brand positioning, be extremely reactive by adapting to the market demands. Along with the stated tips ensure that retail infrastructure in place, this will help in launching a new brand with ease.

Brands are personifications of organizations, products, services and experiences and they are the source of relationships. It is important to implement the strategies shared by the successful leaders to make your brand story a success! Go ahead and follow the guidelines and make the cut! 😊