GL BAJAJ
Institute of Management & Research
Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No…………

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.) –201306

POST GRADUATE DIPLOMA IN MANAGEMENT (2017-19)

END TERM EXAMINATION (TERM - V)

Subject Name: **Product and Brand Management**	Time: **02.00 hrs**
Sub. Code: **PGM-03**	Max Marks: **45**

Note: 1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. All questions are compulsory in Section A, B & C. Section A carries 2 Case Studies of 10 marks each, Section B carries 2 questions of 7.5 marks each and Section C carries 5 questions 2 marks each.

SECTION - A **10×02 = 20 Marks**

Q. 1: Case Study:

Establishment of Brand Identity –A case study on Patanjali Brand in India

INTRODUCTION: The recurring changing marketing scenario and increased competition over the globe has amplified the role of brand at unparalleled level. Every person is a consumer of different brands at the same time. The choice and usage of a particular brand by a consumer over the time affected by quality benefits offered by the brand and brand identity that product has established in customers mind. The components of brand like name, logo, tagline and typeface which a brand has created to reflect the value the company is trying to bring to the market and appeal to its customers.

To succeed, the first step is to position or 'situate' the brand in the target consumer's mind in such a way, that in his or her perception of the brand, it is distinctive and offers a persuasive customer value better than its competitors. That's how we develop a competitive edge. Brand personality is the way a brand speaks and behaves. It means assigning human personality traits/ characteristics to a brand so as to achieve the differentiation. These characteristics signify brand behavior through both individuals representing the brand as well as through advertising, packaging e.tc. When brand image or brand identity is expressed in terms of human traits it is called brand identity or a personality identity.

It all started in early 2000 when yoga guru Baba Ram Dev openly criticized the MNC brands since then , Yoga guru has turned out to be the worst disruptive force in two decades for the fast moving consumer goods (FMCG) and his brand "Patanjali" is giving the large FMCG companies a run for their money . Ram Dev not only became a television celebrity teaching yoga but, is sitting on the fastest growing FMCG Company clocking a turnover close to Rs. 5000 Crore, more than Colgate, GlaxoSmithKline and Emami by this fiscal year. All throughout this Ram Dev never hid his contempt for multinationals and vows to kill their market. He even has been discouraged of starting anti Coke and Maggie drive.

MNC FMCG companies have always overcome such competitive threats from entrants, for example Nirma and Chick shampoo to name a few. But this time the threat is stronger than ever with Ramdev's tying up with Big Bazaar and brand Patanjali pushed by growing the fleet of 10,000 dedicated distributors along with the brand fitment in to health consciousness taking place in Indian culture. It is clearly the fastest growing FMCG firm in country, with the widest product portfolio.

Patanjali as a brand established with the combination of both brand as well as personality Identity. In the beginning Baba Ram Dev has established himself as a Yoga Guru and posted Yoga as a solution to many health challenges which are prevalent because of western influence and food which made our lifestyle sedentary and unhealthy. He started out by teaching yoga to Indian audience. First, Sanskar and then Ashta channel broadcasting his Yoga Shivir's in various cities. He got a wide acceptance .He made the people realize the audience that Indians have forgotten our old traditions and art forms –Yoga being one of them. Elders of the family related to this combination of spirituality and tradition started this practice in their family too.

It's been a decade now since, a phenomenon called Baba Ram Dev, arrived on the Indian political and social scene, when all other Baba's were minting good money by using spiritualism in a self-owned manner. Baba Ram Dev did not fall in the traditional category and took the Yoga as a brand new level which probably his predecessors were unable to take.

During his own rise Baba ram dev has not limited his presence to Yoga and spiritualism only, but he has extended it to politics and rise of PatanjaliAyurved Ltd. And is now challenging India's consumer space which is traditionally dominated by MNC's such as Colgate, HUL, P&G and certain large Indian Corporate like Dabur, Emami Etc.

Soon became “Story of every house”. It was easy to do and was not exhausting like those running and gym exercises. It was a matter of few years when his influence could be seen in all the directions of India. With the word of mouth publicity boosting the reach, many people started claiming that they had been cured using Baba ji’s yoga techniques. Thus who understands it better to build a BRAND PERSONALITY than Baba ram dev who is known for popularizing Yoga among Indians through his mass yoga camps and in return became a brand himself. That’s how he became a brand himself and then utilizes his own image to launch his various products in the market to give tough competition to all FMCG Companies.

“An Indian FMCG started PatanjaliAyurved Ltd. in 2008 by Ram Dev and Acharya Balkrishna located in Haridwar. This company has claimed revenue of Rs. 5000 Crore, making the top names in game sweat.”
People started waking up in the morning with voice of Baba Ram Dev addressing thousands of people telecasted on TV. He would tell them how to do yogic exercises and complementary tips to stay fit.
Almost 10 years later, Baba Ram Dev‘s presence in another form, Patanjali Ayurveda. And this is happening in a house which had Pantene,Dove, Maggi and products of all the top FMCG brands in the World.

When Baba Ram Dev established his own identity in customers mind he then used the following interconnected Strategies to establish his brand identity in the Indian market:

- **Product Strategy :**

Beyond Patanjali’s flagship ayurvedic range of products , their strategy is to simply create products that people are already used to using and not to try to innovate with the core positioning of the product (think cereals , biscuits e.tc). Even the product names are very much similar. This is very clever and significantly reduces the friction for the end consumer, as this requires no change in their behavior if they opt for Patanjali products.

- **Brand Strategy :**

Alright , so you have got 2 or more products that offer the same benefits , now how do we get the people to pick our product (which is new to them)over something they have already been using. Simple – Promise them something that they want but other product doesn’t offer. So Patanjali says pick our product – it is the same product with no harmful chemicals and with the herbal and organic essence. Plus by buying our products, you are ensuring the money you spend stays in India. And the additional value propositions are true for all their products and that is the reason they have branded every product as a Patanjali product. While the existing FMCG brands , for the sake of the growth, are forced to find new product categories and force change in consumer behavior through huge investments in mass marketing, Patanjali can simply offer a “no chemicals and Swadeshi Alternative” to the people who have got used to this new product.

- **Timing :**

The consumer awareness about the impact of the harmful chemicals, in what they eat and use, has been growing rapidly and is an at all time high. So there couldn’t have been a better time to launch a brand that offers “No harmful chemicals".

- **Loyal community:**

While one might be tempted to believe that Patanjali has grown exponentially with in such a short span of time, the fact is that it is the result of around 20 years of rigorous hard work around Yoga and Ayurveda by Ram Dev. In those 20 years Ramdev has built an extremely loyal community.

- **Own Distribution channel and low advertisement spend:**

The success story of hitting Rs. 5000 Crore turnover is pretty much driven by Baba ram dev’s image of Yoga Guru, acceptance of Organic lifestyle by customers and the distribution network . It is worth noting that most FMCG companies have a large distribution network with warehouse,distributor, wholesalers and retailer, while Patanjali products are dependent on 10,000 stores and now started building a traditional network mode. PatanjaliAyurved Ltd. Is unique in a sense that it is the only FMCG Company built mainly on its own retail network. The company has 10,000 consumer touch points as “Chikitsalaya” (Their own Dispensaries) and “Aarogya Kendra’s “(Health Centers). These are operated by third parties as Patanjali exclusive stores.Bulk sales of Patanjali products were done by these stores until the company has built a more robust distribution network to make its product available in general and modern trade. Patanjali is now in process of starting mega marts – modern retail formats which would stock only Patanjali products.

- **Pricing :**

Affordability factor of Patanjali products is one of the reasons for popularity. As Baba Ram dev said, the purpose of Patanjali is Upkar and not Vyapar, Hence his products are reasonably priced. Further such pricing strategy surely helped Patanjali products in penetrating their roots in middle and lower middle class population, given that their products are close substitute to the consumer goods produced by major FMCG Companies.

- **Swadeshi Advantage:**

The Government of India promoting in for greater economic activity and ever expanding market, the ambitious plans of Patanjali are in consonance with both Make Indian and Make in India, giving it a stronger moral pedestal to stand on as compared to other FMCG MNC’s. Moreover, while big wigs like ITC and HUL primarily produce western household products, Patanjali's product line in mostly Ayurveda and with organic essence, even its shampoos and tooth paste are made of natural ingredients hinting at a healthier lifestyle. In short its product appeal to Indian nationalism and a sense of Swadeshi. Even among the small number of Ayurveda products, Patanjali has a definite advantage given the popular face of Baba Ram Dev.

- **Manufacturing facility and Food Park:**

On 5th January 2010, the world's largest Food Park opened 20 km from the holy city of Haridwar,Uttrakhand India. Patanjali Food and Herbal Park is spread across -95 acres in first phase, and has generated direct employment for 7,000 people. The construction started in February 2009 and was completed in a record time of less than one year. Construction of building of warehouse, R&D centers, variable humidity stores, multi commodity coldstorages, pre cooling chambers and a ripening chamber.

- **Brand Image:**

Last but not the least, over years he has built a brand and trust even among his non followers. When it comes to choosing between the likes of Unilever , P&G, Nestle etc. and Baba Ram dev , most would trust the later more than the former.

Q.1(a): Discuss the Brand Identity of Patanjali with the help of Kapferer's Brand Identity Prism Model.
Q.1(b) Despite its large product portfolio Patanjali revenue declined more than 10% in the year ended March 2018, the first time since 2013. What are the reasons for the decline in revenues of Patanajli? **On December 24, Economic Times stated** that ***"Patanjali keen on buying Ruchi Soya as Adani Wilmar pulls out of deal"***. State reasons whether this Soya deal is good or bad for Patanjali'sBrand health.

Q.2: Case Study: <u>FITBIT</u>

Technology is getting smarter and being compressed in to smaller spaces every day. The trend started with huge computing machines, became smaller to fit a desk, shrunk further to sit on a lap, and now they fit in our palms and are sometimes even small enough to almost disappear when latched on to our clothes or body parts. The next step will be implants!
A report by Transparency Market Research predicts that the global wearable technology will reach US $5.8 billion in 2018, up from a valuation of US $ 750 million in 2012. This means a compound annual growth rate (CAGR) of 40.8% from 2012 to 2018.
While start ups across the world try to grab a slice of the pie of this fragmented sector, Indian start ups have just recently woken up to this wave. We've seen navigation shoes (LeChal), solar backpacks (Lumos), GPS tracker keys (Gecko), and many more, but there are still dozens of start-ups launching their devices every month.
Meanwhile, something to note is that most of the activity happening in this sector takes place in the health and fitness division.
A report published by Juniper Research in November 2014 states that global fitness wearables in-use will almost triple by 2018, compared to an estimated 19 million in-use devices this year.

- **What is driving this boom?**

A. Ecosystem changes:

It all starts abroad and slowly catches on in India. Many wearables startups in the Silicon Valley have been accelerated and funded in the recent past. These success stories motivate young entrepreneurs in India.
Data scientists and big data enthusiasts all over the world realize that the data from these wearables are invaluable. "The more personal the device is, the more intimate the data will be. This is a huge repository for data mining and big data analytics," said Vishal of GOQii.
The launch of the Apple watch, and other similar wearables by big brands, will create a whole new wave of devices. Some startups will try and replicate them, while others will try to better it. Since India is extremely price sensitive, affordable and lower priced models are going to flood the market.

B. Customer behavioural changes

People are becoming more conscious about their health and fitness quotients, but at the same time they want to find shortcuts to tedious or redundant everyday tasks.
"We are restless beings, we don't want to wait in queues, we don't want to do anything that can be avoided, so I guess wearables and Internet of Things is a very promising sector for us," said Abhinav of Cardea Labs.

Let us take the case of Fitbit which after registering its presence across almost every major coordinate, world's leading wearable manufacturer, is now set to hit Indian shores, starting July 1. The wearable brand will be selling its wearables through an exclusive store on Amazon.
San Francisco-headquartered Fitbit is currently perhaps the biggest name in wearables space, selling over 20 million units in 43 countries so far. Commanding about 85% of the global health wearables market, it operates over 700 employees and sells in over 50,000 stores.
Fitbit will partner with e-commerce firm Amazon to offer four types of wearable bands, the Zip, Flex, Charge HR and Surge with prices ranging between Rs 4,000 and Rs 19,990. The range has been decided as the company

intends to target almost every user category and hopes to hold a firm position in the country. Moreover, if you wish to succeed in a pricesensitive market like India, you've got to offer choices.

Steve Morley, VP and General Manager, APAC for Fitbit told The Indian Express– We are establishing an Indian entity and the first employees will be joining soon. We are here for a proper brand launch and Amazon will be our launch partner.

Wearables, while already a trend in the west and certain Asian countries like China/Japan, is still a very nascent market in India.

However, momentum has started to increase, with the launch of low-cost wearables coming from Micromax's subsidiary Yu Fit. YuFit, the fitness band from Micromax, was launched last month at a rock bottom price of Rs. 999. Apart from that, you also have Xiaomi Mi band which lies in the same price range and offers similar, basic fitness tracking features.

A recent IDC report predicted that 72.1 million wearable devices will be shipped in 2015, up a staggering 173.3% from the 26.4 million units shipped in 2014. And while most of this growth will continue to come from developed nations, emerging markets like India too will be contributing a significant portion to that growth.

<u>The Question:</u>

It is well understood that Indian consumers are slow adopters of new technologies and the market for wearable fitness devices is still in a very nascent stage in this country. Though Fitbit may be a big player in developed countries, gaining a foothold in a developing country like India will not be easy considering the price sensitive attitude of Indian buyers. New start-ups will definitely come into the space and challenge Fitbit with cheaper products that will definitely attract large set of fitness freaks. Though India is an important market for Fitbit its Indian marketing managers are skeptical about quick success. They want to build a strong brand and play the game in the long run with superior quality products. They are looking for good strategies to connect with its customers at the lowest possible expenditure. They are not keen to advertise it in mass media due its cost and its own product kind which probably is not for the masses at this early stage. **They are open to innovative ideas to connect with the user.**

Q.2 (a) What would be your plans and strategies in this early stage of New Product Development which can establish Fitbit as an industry leader and precursor?

Q.2 (b) Apart from online sale how do you think Fitbit can drive early sales through offline channels?

<u>SECTION – B</u> 7.5 ×02 = 15 Marks

Q. 3: How will you differentiate between the terms point-of-parity and point-of-difference? As a brand manager of HUL / P& G, how will you make use of any one of the methods of repositioning to enhance market share of that brand? Elaborate your answer with suitable examples.

Q. 4: Company X has a dominant share in the Indian sauce market and also owns a successful brand in the category. Research showed the company that there was a need for a sauce with a unique taste which could be taken with Indian as well as western snack foods. The company introduced 'Tom Imli', a tomato sauce with tamarind and tangy spices. The product is targeted bat children in the age group of 8-14 years.

i) In this situation, what are the products which you think would compete with this new product?
ii) Suggest a suitable positioning basis for this new product.
iii) Give your comment on the name 'Tom Imli'. If you were asked to suggest an alternate brand name, what would you suggest and why?

<u>SECTION – C</u> 02×05 = 10 Marks

Q.5 (A): What are the characteristics that a good brand name should possess? Based on these characteristics develop a brand name for packaged fruit juice containing mixed fruit and tomato juice.

Q. 5 (B): The Boeing Company makes a number of different types of aircraft for the commercial airline industry, for example, the 727, 747, 757, 767, 777, and now the 787 jet models. Is there any way for Boeing to adopt an Ingredient Branding strategy with jets? How? What would be the Pros and Cons?

Q. 5 (C): Discuss the Brand extensions of following Brands in terms of their success or failure in the market and reasons for the same. Also highlight the type of the extension.

- Ponds OR
- Harley Davidson

Q. 5 (D): Draw Brand Identity Prism for Coca Cola and Nike.

Q. 5 (E): What do you understand by Positioning? Discuss the alternative bases for positioning that you can apply for:

- A toothpaste
- Cornflakes