

# Thoughts

Reflexion and Analysis for the Indian Market

February 2020

## Successful Brands in India – Value Creation



## Foreword

Brands in India are operating in an increasingly volatile and complex environment. The development of brand ecosystems and the blurring of categories – even the distinction between products for business or personal use – is stressing value growth and the organisation of brands by category, as many brands no longer fit into only one, narrowly – defined space. Meaningful associations are now driving brand value growth and instant recognition, leading to sustained values.

Customers don't just want products anymore, they are looking for experiences. These expectations are impacted by experiences in unrelated categories. If your last trip to a store or a hospital was a wonderful experience, why wouldn't you expect the same from your bank or airline?

Brands need to re-examine their relationships with people – what the brand stands for, what they say, and how they behave. To understand how to better engage with consumers, brands need to learn to be more human, because brands with high emotional intelligence win!

The journey from value brand to premium is not an easy one. But it's one that Indian companies are trying to make.

## Meaningful Associations Drive Brand Value Growth

The volatility of the brand ecosystems sits in the wider context of global insecurity and uncertainty produced by multiple factors, including troubling geopolitics, the threat of climate change, and evolving social values, with change accelerated by technology.

Brands that are growing in value are seen as more meaningful than brands where value is stable or declining. The car category, for example, is under pressure because of factors like climate change and technology (the shift to electric cars) and changing social values (the shift to sharing vs. ownership). In this context, some brands with long heritage continue to be salient. But salience does not stop them from declining in value as they struggle to be Meaningful today.

The key questions for brands are: what is meaning and how is it created in today's volatile marketplace? Meaning is having a broad and deep set of mental associations for the brand. The associations relate to innate consumer needs. Brand value is created as these associations are activated. Each source of meaning can trigger a short-hand reminder for consumers, enabling them to make fast and easy brand choices.



Each association interlocks the consumer with the brand. Other associations could be choosing a brand because of affection for it or because it makes purchasers feel good about themselves. This list of associations is not exhaustive. But more is better. The ability of the association to trigger a brand choice varies by person and even by occasion for the same person. These associations cumulatively build meaning for the brand.

## **Consumer-Centric Dynamic Journeys and their Role in an ‘Age of Experience’**

Some say that we’ve entered into an age of experience. People don’t just want products anymore, they are looking for experiences. Expectations are now impacted by experiences in other sometimes unrelated categories.

In order to better anticipate these expectations and needs, brands are increasingly putting the consumer at the centre of their worlds. They are listening more, trying to understand them better and hoping to glean insights that will help them improve the experience they offer to their customers.

Retailers are utilising what they know about their customers’ purchasing behaviour to offer relevant discounts and cross-sell offers. But truly consumer centric understanding and appropriate interventions remain sporadic at best. We see a large gulf between what brands promise and what they actually deliver. We see them struggling to get the basics right, with missed opportunities piled up to the ceiling.

One way to refocus the entire organisation on the consumer is to make their journeys more central to the business. ‘Journeys’ refers to all the paths that customers take, along which they encounter your brand or business.

Used wisely a thorough understanding of your consumer-centric dynamic journey can show that your brand goes in and the mix of marketing tools you leverage.

While most businesses still make use of the old marketing funnel in some way, there have been some attempts to update it for a more modern and connected world. The addition of recursive elements such as the loyalty loop makes for a more non-linear view of the path to purchase and beyond.

Moments of truth along these journeys refer to tangible points of focus, starting with the critical first moment at the shop shelf, which may or may not lead to a sale, and moving on to the nerve-wracking second moment when the usage experience is evaluated.

Even though at an aggregate level, it is tempting to think of journeys as a typical path taken, with specific moments in a specific order, care should be taken to include a generous helping of dynamism. The ability to place various microjourneys alongside each other, that leverage different combinations of moments, will lead to a more accurate mapping of behaviours.

These moments can probably be defined in multiple ways, but another important consideration is that no matter what lens you choose to look at your customer through, these moments should allow marketers to maintain a certain amount of agency. Strong, positive lasting memories can be created in these moments, and if they are linked to your brand, they have the power to deepen loyalty, create excitement and increase revenue.

Most of the moments in our lives are fleeting. They don't leave much of a trace in our memories. So brands that manage to stand out and generate truly memorable experiences at multiple moments of influence will tend to reap the rewards.

Practically speaking, a thorough mapping of the journeys present in any given market will also provide an opportunity to conduct an audit of data assets and other sources of insight that might be available to the business. Drawing on the most appropriate sources will improve the speed and accuracy of such insights, while mapping them to the journeys will make it easier to drive implementation through the business.

Having a framework derived from a consumer-centric understanding of journeys would also provide a way for the business to communicate more effectively internally and externally its progress, needs and intentions. Aligned thinking can and should lead to aligned behaviour throughout the organisational ecosystem, and ultimately to the desired consumer experiences.

## **Humanizing Brands**

The blurring of physical and digital boundaries, the ever-present nature of communication, the rapid pace of technological change, the massive volumes of content being produced, and the misguided supremacy of data over decorum guiding interaction, make digital marketing today frustrating for consumers and marketers.

More importantly, its inefficient investment is wasted on ads that are a nuisance, poorly articulated content that is viewed suspiciously and misguided customer service interactions that are unfulfilling.



Business leaders face unprecedented complexity, constant disruption and profound questions: customers and employees demand more transparency and value from the brands and companies they do business with.

Brands need to re-examine their relationships with people – what the brand stands for, how they present themselves, what they say, how they say it, and how they behave. But there is hope. Brands just need to learn to be more... human, because brands with high emotional intelligence win.

When brands behave more like humans, in a more nuanced way, with appropriate intent, demonstration of value, relevance, good timing and emotion, they develop stronger bonds with consumers. To understand how to better engage with consumers, businesses must start with brand purpose.

Brand purpose is a deep and intrinsic connection to the brand and what it stands for. Purpose must sit at the core of the brand, driving everything it does. It cannot be an add-on or something that comes and goes according to whim or budget. It is this authenticity that consumers recognise and reward, because today's consumers, especially Millennials 'can smell bullshit a mile away!'

Purposeful positioning is all about how your brand makes a positive impact on people's lives and the world they live in. It must go beyond what you sell, transcending the product category but having a natural connection to it.

Unlike the corporate social responsibility programs of yesteryear, brand purpose today serves to empower organisations through the concerted focus of efforts around a singular idea that connects core capabilities to a wider social impact.

When brands have a 'why' to address, it focuses resources, guides decision-making, eliminated inefficiencies and inspires innovation. When done right, it adds to the bottom line.

## **Indian Brands Expand Globally, Shift from Value to Premium**

The journey from value brand to premium is not an easy one. But it's one that many Indian companies are trying to make.

The imperative is not just to appeal to local consumers but to build awareness and recommendation in every country around the world but also highlighting the changing culture among Indian businesses.

Limited brand awareness in international markets, a lack of trust due to historic quality issues and reluctance by Indian brands to invest in impactful global advertising



campaigns may have put Indian brands at a disadvantage in the past but those issues are clearly being dealt with.

The construction of the ecosystem brand is designed to build value interactions that go far beyond the traditional transactional relationship that consumers have with white goods brands. It creates contact points that can help the company perceive and identify user needs. This enable Indian companies to not only deliver better, more personalised services but also expand their user base as they identify and sense groups with more diverse needs. While the ecosystem doesn't directly generate revenue through charging customers, it is proven that it does generate greater value potential for them, in turn making the brand more valuable.

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