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January 2017

Master of Business Administration (MBA) Examination

(Full Time) (New) Third Semester

FT-304M : ADVERTISING AND BRAND MANAGEMENT

Time 3 Hours]

[Max. Marks 80

Note : Attempt any four questions from Section A. Each question carries equal marks. Section B is compulsory and carries 20 marks.

Section A

1. Describe today's advertising industry in Indian context. Also explain effect of economic and social environment on advertising.
2. Explain the concept of hierarchy of effects model. Also elaborate on routes to persuasion from advertising point of view.
3. Explain the creative aspects of advertising in print medium with examples.
4. Elaborate on all the aspects of media planning. Also describe pre and post launch research from advertising effectiveness point of view.
5. Take examples and relate brand image with brand personality. Also explain the situations under which brand repositioning is justifiable.
6. Comment on following, with examples, if required :
 - (a) Importance of emotions and feelings for advertising message.
 - (b) Importance of Brand Equity.

Section B

7. Analyse the case and answer the questions given at the end.

TATA SALT

Namak ho Tata Ka, Tata Namak !

The history of iodized, vacuum-evaporated, packaged salt in India was pioneered by *Tata Salt* in August 1983. Tata Chemicals, the company behind the brand, takes the first credit for converting the commodity salt into a high-quality branded product. To millions of Indian housewives it offered a welcome move away from the loose, unbranded salt of questionable quality to the assurance of clean, pure salt, certified by India's highly trusted business house. *Tata Salt* delineated the standards and attributes that consumers now demand in the product – hygienic production, purity, nutrition, and iodine content. Thus was born a new category in the food additives segment.

Over the year, *Tata Salt's* business has grown from strength to strength. It has become a household name with top-of-the-mind brand recall and has garnered 41% share of India's branded-salt segment, as against 23% by its nearest competitor. And thanks to the purity and reliability of the brand, the preference for it spans all segments of the market; housewives; restaurateurs; industry; manufacturers of packaged snacks, coals and *namkeens*; and even the Indian government.

The *Tata Salt* brand has many accolades to its credit, which stem from its association with trust, reliability, honesty and credibility, qualities inherent to the *Tata* creed of business. Its jingle '*Namak ho Tata ka, Tata namak*,' an audio mnemonic for the brand, speaks volumes of its headship in the salt market.

Competition

Post *Tata Salt's* entry, as consumer acceptance of branded salt grew, the category became more appealing to potential manufacturers. Also, with extremely low entry barriers, the next two decades saw the launch of scores of new national and local brands of packaged, iodized salt. The first competitive challenge was posed in the early 1990s with the launch of *Captain Cook* that positioned itself as a free-flowing salt. *Captain Cook's* entry was indirectly advantageous as it sensitised people to branded salt and they started shifting from non-branded or local products to the national brands. *Tata* survived the *Captain Cook* onslaught owing to its innate superiority, strong distribution network and the overall category expansion that resulted from *Captain Cook's* entry.

P.T.O.

In 1996, another national salt brand *Annapurna*, was launched by ILL. It was positioned on the health benefits of iodine. Although by that time iodization had nearly become a given in branded salt and consumers did not perceive it as a differentiator, with aggressive marketing *Annapurna* soon became the 2nd largest player, with 35% market share (behind *Tata*, by now at 37%).

Then, with the growing number of players and possible market share erosion, *Tata Chemicals* conducted a market research study in 1998 to understand the consumer psyche. The results placed *Tata Salt* high on characteristics such as saltiness, iodization, free flow, purity and whiteness. Consumers thought of *Tata Salt* as the 'saltier salt'. *Tata* encashed this positioning in its next commercial starring the well-known chef Sanjeev Kapoor approving *Tata Salt* for these attributes.

By late 2001 and early 2002, several regional, domestic and multinational players started jostling in the branded salt market. Their aggressive marketing tactics, colourful and attractive packaging, and high decibel advertising created quite a stir in the market. As a consequence, the branded salt category posted a healthy growth rate of 4% as consumers migrated from the non-branded segment. However, the overall category growth (branded and unbranded) was a mere 1% since it was difficult to get the population to consumer more salt beyond a certain level, and now there were no non-users who could be converted. Therefore, most of the growth had to come from the unbranded-to-branded category conversion.

Advertising Strategy

Looking at these factors *Tata* devised its new advertising strategy. It took the competition head-on and in September 2001 *Tata Salt* was re-introduced with a new campaign that touted its purity, a core virtue of the brand. This positioning as the 'pure salt' was rooted in the fact that *Tata Salt* was manufactured using the vacuum evaporation technique, which rendered its end-product much purer than the more commonly used refining technique of washing the salt with water and adding some more chemicals. For the consumer, the proof of purity lay in experience of a distinctly 'saltier salt', relative to those offered by other brands, and the certificate of trust lent by the *Tata* name. The packaging was also changed to a more premium-looking pack, a response to consumer feedback. All of this translated into a better value proposition for the consumer and a dominant market share for the brand.

Soon after, *Tata Chemicals* looped in consultants to track the brand and assess its marketing strategy. The results revealed that *Tata Salt's* brand equity index was 7, which was ahead of the competition. But a marketing strategy study revealed that in spite of the strong brand awareness, the differences between players were getting murky. This made *Tata* redefine the problem and set new objectives as follows:

- To break free from clutter in the category caused by the recent entrants.
- Expand the base of the category by bringing in new users and garner market-share of 38-40%.

Revised Advertising Strategy

In view of the above objectives, *Tata* decided that the best way to differentiate was to connect with the consumer at an emotional level, since competitors were focusing on the functional properties of salt. While *Tata Salt* had thus far been positioned on the rational aspects of 'purity', its new positioning would carry this proposition forward but within the larger context of the consumer's life, encompassing both rational and emotional manifestations of 'purity'.

In addition, being the market leader, *Tata* wanted to grow the market by increasing the user-base. *Tata Salt* realised that there was nothing like a strong 'leadership claim' to meet this end. It felt that by elevating the brand to the status of a national icon, it could not only expand the user-base but also break free from clutter.

Tata Salt's greatest strength as a brand was derived from its association with trust. Its parent, the *Tata Group*, had built its equity on the very concept of leadership with trust. These concepts would be highlighted in the next campaign. Thus, the advertising strategy was aimed at rendering the twin messages of (a) purity (rational and emotional expressions) of the brand and (b) its leadership position.

This advertising strategy then planted the seeds of the '*Desh ka namak*' campaign.

Questions :

1. What strategic approach has *Tata* followed in its '*Desh ka namak*' campaign? Do you think this approach would have helped *Tata* in meeting with its objectives? Why?
2. Do you think *Tata's* '*Desh ka namak*' advertising strategy addressed the objectives that it had laid out?