Brand Failure - Concepts And Causes

By

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BRAND FAILURE _ CONCEPTS AND CAUSES

Considering the proliferation of brands in the Indian context and the failure rates brands have, it will be of interest to see why brands fail. Since brand failure is a widely prevalent phenomenon the reasons for the same might be very many.

Explanations available in research show two broad areas of thrust in accounting for brand failure. The first set of explanations have an organizational/strategic focus. The second have product/brand focus.

The first set i.e., the organization focused explanations for failure are as follows:

Abel's[1] well-known work on "Strategic Windows" mentions market redefinition, new technologies, demand for totally new types of products as the reasons for product failure. Further it is contended that there is limited time for which a fit exists between the market's requirements and the company's capabilities. A product from an organization will be successful only as long as the market-organization fit is managed well.

Hamel and Prahlad[2] did extensive work on failure. Their account of the anatomy of strategic failure is as follows:-

Failure results from unseen strategic intent of competition or underestimating their resources. This

among other things leads to competitive surprise, lost
battles and eventual exit from the market..

Ganesh[3] tries to fit all Indian organisations into six
cultural types. Some of these like "The goose that lays golden
eggs" (eg: Ponds) and "The growth loop organisations" (eg: BPL)
are successful. The other types like "Humpty Dumpty" (eg: Metal
Box) end up as failures. Here we see an attempt to track product
failure to organisational culture.

Anjan Chaudhari[4] examines failure in India as well as
abroad. In India 25% of 'project' failures are due to input
problems, 41% due to management bottlenecks such as incompatible
technology, poor assessment of competition and 22% due to
marketing problems. He quotes a 1987 HBR study which opined
that during the period 1950 - 80 more than 50% of all the
acquisitions by 33 leading European and American companies were
failures. 75% of unrelated requisitions were failures. This is
project-appraisal oriented approach to strategic failure or
success.

The second set of explanations that have a brand/product
focus are now discussed.

Hamel & Prahlad[5] in their product oriented approach to
failure seek answers to four questions: (i) Did we learn
anything to improve the product for launching it next time? (ii)

Did we have reasonable expectations from the market? (iii) Can we quickly recaliberate and try again (iv) Does the potential of opportunity warrant another try? They contend that if the answer to all the questions is a 'NO' only then can the product be termed a failure.

Hugh Davidson[6] analyses brand failures in the United Kingdom and concludes that most brands that fail are me-toos. Me-toos are products that are not significantly different from the ones already available. He lists several behavioural reasons for the failure of new products - (i) hurriedly launched products, the eye being on the competition rather than the customer (ii) launching products simply because it is company policy to launch a certain number every year (iii) inability of brand managers to speak up against products that are rushed through (iv) development of vested interests around a new brand's launch (v) Overestimation of strengths like company reputation (vi) Inability to look at changes in the environment because one gets too involved in brand development.

Rajan Chibba[7] in a novel approach of predicting brand failure calculates the Delta Habit Factor. This is composed of the rating that a product gets for 6 dimensions : (i) changing the duration of consumption of the product (ii) evolving new ocassions for the use of the product (iii) changing sharing

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habits of the product (iv) changing frequency of the purchase (v) Changing frequency of use (vi) doing new things. This leads to the conclusion that inability to change usage / buying habits is the reason for brand failure.

After examining the literature available the authors of this paper have seen a need to categorise brand failure among Indian brands based on the commonality of reasons. This is to be seen as a new approach towards understanding brand failure. The classification is demonstrative, but is . neither exhaustive nor representative. After studying several instances of brand failure in the Indian market the authors are of the opinion that these could be classified into 7 broad types. These failures could be attributed to :- (i) Unrealistic features (ii) cultural reasons (iii) wrong positioning (iv) falling in the brand extension trap (v) lack of viable niche /segment (vi) Me-too strategies (vii) lack of attention paid to the life cycle of the product. These are discussed below:

i) <u>Unrealistic features:</u> Unrealistic features are those which lose their novelty after the "launch phase" or those which consumers are unable to associate themselves with. "MERLIN" the home theatre brand, VIDEOCON's picture-in-picture, NIKEYTASHA's "3-D" TV are examples. According to the basic principles of psychology, an individual gets a feeling that he is involved in

two different activities simultaneously because of the human system's ability to switch between two activities (within a fraction of a second). Consumers will find it difficult to sustain their attention on two programmes on the same screen and hence the very proposition of "p-in-p" becomes a "myth". "POLAR" (fans) which introduced fans with remote controls is yet another example to show that a feature which has been successful in one category need not necessarily be successful in another. NATIONAL PANASONIC's "Top Dome" TV model had a number of channels but without the "S-Band" which is a pre-requisite for television. "KARAOKE" features of audio models which did not take-off is another example which shows technological features may not find favour with the target-segment.

ii) <u>Cultural aspects (reasons):</u> "Ms" cigarettes launched exclusively for women at a time when westernisation is spreading across the metros is a good example to show how inspite of "liberated" attitudes a brand could fail if it is pitched agianst culture though the cigarette was strategically positioned for the "liberated professional" woman and not the "glamour-clad" one. The celebrity chosen was also an actress who is known for melancholic roles. "TANG" an international brand of orange juice was positioned in India as a breakfast drink. Eating is one of the most deep-rooted aspects of a culture and changing eating and drinking habits in a society is probably one of the most

difficult tasks of a marketer ("Kellogg" the multinational giant in cereals is currently attempting it in India). Soya based drinks/foods is another category which offers a number of examples. "GREAT SHAKE" from Godrej tried to sell the nutritive aspects of a soya-based soft-drink in vain. Soya-based food products did not make a significant impact on the market inspite of "packing" the protein aspects of soya in its granules. Even the category of bread (branded) took two decades to get accepted by the masses. "MODERN" is a brand which has been around for a number of years and only in the recent times it is facing competition. The British concept of lemonade (clear lime aerated drink) ("SPRINT" ´CAMPA-LIME´) was unsuitable to the Indian palate. Wafer-choclates ("KRISP", "BREAK" from Cadbury) have not made in roads into the chocolate market.

iii) <u>Wrong</u> <u>Positioning:</u> Positioning a brand in the minds of the consumer is a major marketing decision as this is linked with the perception of consumers. Bad positioning can ruin a good product and a creative positioning could revive a sagging brand.. "THRIL" a cola soft-drink positioned the product as a space-age drink with a number of celebrities. The brand did not survive at a time even when cola market was in its growth phase. "SANDALWOOD - MUSK" soap from the manufacturers of "MYSORE SANDALWOOD" is another example which can be linked with illogical positioning. For decades consumers have been viewing the brand

as "feminine, delicate and soft". Musk is a fragrance which is associated with "macho" brands the world over. POND's toothpaste had the "spreading action" as its unique selling proposition. It might have been difficult for consumers to perceive this proposition (when competitors were taking different routes like cavity prevention, freshness etc.). "Choco-cheer", the relaunched version of "Cadbury" drinking chocolate did not catch up with the youth segment for which it was positioned. "CROWNING GLORY" positioned as a soap for hair did not leave an impact on the minds of the consumers (especially among a number of competing and attractive propositions in the soap category). 'EZEE' positioned as a liquid detergent a number of years back did not address a viable segment.

iv) <u>Brand-extension trap:</u> Ries and Trout, pundits of positioning warn marketers of brand-extension trap, that is, making use of a brand (which has been successful in one category) by extending it typically to another category which has very little linkage with the original category. Consumers who have all along associated the brand with a particular product may find it difficult to extend it to another category. "ENFIELD" which was a successful player initially in two-wheelers did not make an impact with its television sets. Even "CADBURY" which has a strong equity in chocolates did not succeed in biscuits. "BAJAJ's" foray into lighting and "BATA's" "NORTHSTAR" fabrics

are other examples. In some of these cases ("ALLWYN's two-wheelers) there may be certain strong reasons apart from positioning. But a marketer of consumer products (especially) will have to analyse a brand's equity before extending it to another category. A global example is the case of "XEROX" failing to make a mark in computers.

v) **Lack of a viable segment / niche:** Focussing on a profitable, small segment is an effective strategy specifically for premium products. A number of brands are adopting this strategy successfully but there are a few brands which have not met with much success over the years. It can also be noted that most of the successful brands in a number of categories like soaps, consumer electronics, cycles, footwear, two-wheelers which attempt niche marketing are parallelly successful in other segments.

In the baby powder niche market, "Johnson and Johnson" has been successful but a number of well known brands have failed probably because the niche has not developed much due to several reasons. "MOTHER CARE", "GLAXO", "POND's" are brands which failed. Even the global brand "RAY-BAN" (sunglasses) is now targeting lower price segments after initially skimming the higher segments not very successfully. While the market for herbal hair-care products have boomed in the recent times, the market segments for herbal dentrifices have not developed

inspite of ethnic traditional association with herbs, "VICCO" is still a niche player in India inspite of several years of existence.

vi) "Me-too" Strategies: A brand which has made a pioneering impact cannot always be copied by competitors who adopt "me too" strategies.   After the success of "Maggi" several brands of noodles emulated the strategies with little success. "ROTOMAC" and "BRIL" have not achieved the success of "REYNOLDS". None of the follower brands tasted the success of "RASNA" in the "concentrate" soft-drink market. "HMT's" strategies have made very little dent into Titan's quartz market share. "TRIPP" lemony drink on the lines of "Limca" failed to take-off. A number of brands which have imitated "PAN PARAG" have failed. When a pioneering brand has made an impact, it may be difficult to compete with the brand in the perceptual field of the consumer. Marketers could succeed over pioneering brands if these brands become complacent over a period of time (automobiles, textiles, computers are examples). More strategic discretion has to be exercised in nondurables and "impulse" categories where failure rates are higher.

vii) Stage in the product life cycle: New-concept products which are in the introductory stage of product life cycle are likely to fail. "MAHARAJA" introduced dish-washers which is yet to catch on. "Hegdey and Golay" introduced a range of

quartz watches in the late seventies when the market was at the introductory stage. "NEW DELHI" magazine failed in the eighties because it preceeded the magazine boom. "STERTAB" a water purifier product from TTK (in the form of tablets) was not well received inspite of promotional efforts.

In the case of established products (or brands) product life cycle necessitates changes over a period of time. "PILOT" pens which were once sought after are no longer in the lead. As the market matures, it is necessary for a brand to update itself either in terms of technology, product design or image. (eg: "FORHANS" tooth-paste after the relaunching route). "BINNY" which was almost a generic name in textiles once is not among the top players. "KORES" once a dominant brand in photo-copiers has lost its grip over the copier market.

CONCLUSION:

Brand success and failure occur due to a variety of reasons. The above examples of categorisation of failures is merely demonstrative. Often only the most important reason for the failure of a brand has been highlighted in this article. A brand many times fails due to multiple reasons. Further research on this topic could make the categories water tight thereby making the theory of categorisation more rigorous. This is a provisional schema for the categorisation of brand failures in the Indian Market.

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