

STUDY OF GENERICIDE ON THE BRAND EQUITY OF LEADING BRANDS IN THE INDIAN MARKET

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ABSTRACT

The contemporary phenomenon of ‘brand’ is addressed within a Peircean semiotic framework, showing ‘brand’ to be an inherently unstable composite of tangible (e.g. product) and intangible (e.g. brand name) values. The professional literature of brand strategy is drawn upon for definitions, and branding work in an Internet-focused ‘New Economy’ consultancy is described. Three phenomena of branding—genericide, ingredient branding, and so-called ‘viral marketing’—reveal the vulnerabilities of brands, and show that it is not only material things, but events, experiences, and acts of communication that can be ‘branded’. Genericide is the combination of two words – generic and suicide. Genericide happens when a court finds that a brand name has lost its source-identifying power and has become just another word in the language, a term identifying not a single producer’s products but the product class to which they belong (hence, ‘generic’). Hence, generic use of a trademark presents an inherent risk to the effective enforcement of trademark rights and may ultimately lead to serious repercussions. Genericide forms the crux of this research - the questions that need to be addressed and the strategies needed to tackle this conundrum. The methodologies of determining genericide have been studied broadly, through the use of consumer surveys. The research shown in this paper studies the prominent packaged drinking water brand Bisleri, and the well-known adhesive bandage brand Band Aid, which have become generic and may (someday) be in danger of losing their trademarks. The impact on the equity of these two brands (both qualitative and quantitative), has been highlighted, to underscore the importance of the phenomenon of genericide; such that the same can be tackled through a series of timely measures.

Keywords: Brand, Branding, Genericide, Bisleri, Band Aid, IPR

INTRODUCTION

A leitmotif in the academic literature of postmodernism is that a fundamental shift has taken place under late capitalism: value no longer inheres in the commodity itself as a tangible thing; rather, value inheres in something else, something less tangible: the aura, the simulacrum, the reproduction (as opposed to the original), the brand. The attempt to replace value with symbolic meaning grows out of a sense that production has been transformed, or replaced, by signification.

A practical consequence of this is that sociologists, anthropologists, and others who have written about brands and branding have almost always been committed to seeing and understanding the phenomenon in a particular way—one that I think both obscures the complex interplay of materiality and the ‘intangible’ in the actual form and functioning of brands, and does not really help us to understand how brands are produced, circulated, and received in our society.

In much of British cultural studies, for example, no distinction is drawn between brands and advertising. ‘Semiotic analysis’ is often little more than a decoding operation that reduces the images and text in an advertisement to a statement of their propositional content—i.e. to another text—in the style of Roland Barthes’ famous analysis of the cover of *Paris Match* that depicted a Black (African) soldier saluting the French flag (Barthes, 1968). As Webb Keane (this volume) writes, ‘cultural studies still often ‘reads’ such things as ‘representations’ as being *about* the world in ways that make little of how they may be materially located *within* it’.

And yet there is little doubt that the centrality and ubiquity of brands and branding is one of the defining characteristics of contemporary experience, across the globe. As we all know, products (Coca-Cola), services (H&R Block), experiences ('the Hyatt Touch'), events of communication ('Do you Yahoo?'), political leaders (George W. Bush; Tony Blair), whole polities (e.g. Hong Kong), and indeed, wars, are all now being branded. In view of this obvious fact, the absence from the academic literature of any semiotically sophisticated and ethnographically rich understanding of brands is downright shocking. If the lack of semiotic analyses of so blatantly 'semiotic' a phenomenon as 'brand' is to be accounted for in the same way as the absence of treatises on water written by goldfish, so much the worse.

Preamble

The word "brand" is derived from the Old Norse word "brand" which means "to burn" as brands were and still are the means by which owners of livestock mark their animals to identify them. Branding is endowing products and services with the power of a brand. It is all about creating differences. Branding has been around for centuries as a means to distinguish the goods of one producer from those of another.

According to American Marketing Association "A brand is a distinguishing name and/or symbol (such as a logo, trademark, or package design) intended to identify the goods or services of either one seller, or a group of sellers, and to differentiate those goods or services from those of competitors". A brand is therefore a product, but one that adds other dimensions that differentiate it in some way from other products designed to satisfy the same need. More specifically what distinguishes a brand from its unbranded commodity counterpart and gives it equity is the sum of consumers' perceptions and feelings about the product's attributes and how they perform, about the brand name and what it stands for, and about the company associated with the brand.

Brand Genericide

Marketing can be a double-edged sword. Some companies have done such an effective job in marketing these products that the brand name is in danger of becoming a genericized trademark. Some prominent names on this list would include Bisleri, Xerox, Escalator, etc. Two current brands that might be in danger of genericide are iPod and Google. All experts agree that a brand consists of much more than a brand name-but they also agree that without a protected brand name, a brand does not exist. It is the particular vulnerabilities of brand names that genericide reveals. Genericide happens when a court finds that a brand name has lost its source-identifying power and has become just another word in the language, a term identifying not a single producer's products but the product class to which they belong (hence 'generic'). A finding of genericide results in cancellation of the trademark. Such a finding transforms the status of the product in its relationship to other products in its market, and at the same time that of the producer, in relationship to competitors. The name, then, as a protected form of intellectual property, in effect disappears. A finding of genericness, then, takes account of a change that has already taken place in the use of the contested term by the relevant public: it now circulates within the community of users of language in a different way than a brand name, and has acquired a new 'primary significance'.

BRANDING THE WORLD OVER

The world's best brands ideally share the following traits, which contribute to their success:

A Brand Should Have A Good Name and Logo

A strong product name is easily recognizable and is important to good branding. There are many different ways to create a brand name. When building a brand, the following questions need to be addressed:

- What does the brand hope to accomplish?
- What do customers and potential customers currently think of the brand?
- What should customers think of the brand?
- How should the brand differentiate itself from competition?

The above questions are important not only for selecting a strong company name, but also for selecting a strong logo. The logo is one of the most important elements of a brand. A good logo builds trust and a strong logo will help to pull the brand together e.g. Apple, Google, Amazon etc. evoke strong emotional associations. By making

it the main theme of marketing and advertising activities (online and offline), the logo will become associated with the category and will help ensure better communication with prospects and customers.

A Brand Should Be Consistent

To build and maintain a strong brand, every aspect of the brand should be as good as the product or service and must be consistent in presenting the brand to prospects and customers. This includes not only the brand's name, logo, overall aesthetic design, products and services, but also the marketing materials, website, appearances at trade shows and conferences, content posted to social networks, etc. Brand consistency requires attention to detail. Successful brands communicate in a consistent voice across all mediums, have a consistent look to their communications, use collateral materials that support their brand messaging, and enter into partnerships that build on their brand value proposition.

A Brand Is An Ecosystem

A brand is more than just the company's products and services. It's also the ecosystem that surrounds those products and services. Ultimately, the strength of a brand is directly related to the connections within that ecosystem. The brand starts with the company and employees. The most successful brands – such as Amazon and Zappos – transcend specific departments. The customer service people may be more important than the CEO – they are directly connected to the prospects and customers. Great brands function as one internal ecosystem. The brand extends to the vendors, prospects and employees, investors, and even competitors. It extends to people that start conversations about the brand on Twitter or Facebook, or who blog about the brand. Ultimately, successful brands recognize that if they help their participants succeed, the participants will in turn help the brand succeed.

A Brand Is Rooted In Community

Much has been written about the changing landscape of advertising and the increasing focus by many brands on online marketing (compared to print, television and radio advertising). One cannot question the merit of online advertising – it works for many and can be a powerful way to introduce prospects to the brand. However, it is notable that many of the world's best brands, including Google, Amazon, Facebook, Virgin, and Skype, spend modest sums on advertising and instead, focus on building and improving their communities. Those companies understand that if consumers trust the community, they will extend trust to the brand. Especially in the age of social media, this is a very important realization.

A Brand Must Deliver Value

Leading brands are very good in understanding and communicating their value proposition to prospects and customers. Value doesn't mean lowest price. One can focus on product leadership (having the best products in the marketplace, like Apple), operational excellence (having the lower prices in the marketplace, like IKEA), or great customer service (Virgin, Amazon). One can also focus on a combination of these things – although this is not easy to achieve, especially for young brands.

BRANDING IN INDIA

There are two aspects to branding in the Indian market: the multinational giants pitting themselves against the might of domestic players, with each carving a niche for its offerings. So a Godrej takes on the might of Unilever in the personal wash segment, while a Maruti continues to remain market leader in the face of stiff competition from a host of foreign automobile majors. An Amul continues to dominate the dairy segment, even as a host of multinational players continue to enter this category. Tata is still “desh ka namak” while Hero Motor Corp. (earlier Hero Honda) remains “desh ki dhadkan”. “Hamara Bajaj” is still fighting a stiff battle against a slew of foreign bikes from Harley to Honda. Airtel has successfully beaten Vodafone to second place, with another Indian telecom major IDEA completing the top three in the sector.

The Indian market is poised to grow at a phenomenal rate, as predicted by many, including Prahlad (“The Fortune at the Bottom of the Pyramid”). But marketing anything in India will necessitate a strategy customized to local conditions. The Indian mindset is very different from its foreign counterpart, to quote a popular song (“phir bhi dil hai Hindustani”). So the market here will continue to pose challenges to both local and multinational players,

hoping to do business in this country. Since India is tipped to be one of the two future superpowers (along with China), it is a lucrative market for any company, and the potential is likely to increase exponentially. Hence the need of the hour is to find a strategy that works for this country, which is why some of the biggest MNCs have had to glocalize (as proved by both Coke and MacDonal'd's). Otherwise it is likely to be a tough task, since one cannot take anything for granted.

BRANDING IN METROPOLITAN MUMBAI

Thanks to its multi-ethnic character, the city is easily one of the most challenging markets in India. So different is Mumbai from the rest of the country, that it would be simplistic to assume the city follows national trends. What works even in other Indian metros may fail in Mumbai, given its complex ethos. So this city needs a completely different approach to marketing and branding. Life in Mumbai is fast, so time is at a premium. Add to this the fact that this city also boasts of the highest percentage of married working women, and one gets a picture that is very different from traditional India. Since time is at a premium, convenience is highly prized. The average consumer in Mumbai is easily the most brand-conscious in the country, so well established, premium brands tend to do well in this bustling metropolis. It is easier to market such products to Mumbaikars, since price is not a problem, if a brand is perceived to deliver value for money. Since time is money, there is less resistance in selling products that have established themselves as leading brands in their category, even if the pricing is premium.

INTRODUCTION TO TWO LEADING BRANDS: BISLERI AND BAND AID

Bisleri

Mineral bottled water in India, under the name 'Bisleri', was first introduced in Mumbai by Bisleri Ltd., a company of Italian origin in 1965. In those days, mineral bottled water was sold in glass bottles in two varieties - bubbly and still. This venture was started by Signor Felice, who first brought the idea of selling bottled water to India. Parle bought over the company in 1969, and started bottling mineral water in glass bottles under the brand name 'Bisleri'. Later Parle switched over to PVC non- returnable bottles and finally advanced to PET containers. From 1995 onwards, Mr. Ramesh J. Chauhan expanded Bisleri operations substantially, and the turnover multiplied more than 20 times over a period of 10 years; with the average growth rate around 40% over this period. Presently with 8 plants and 11 franchisees all over India, Bisleri commands a 40% market share of the organized market. Aquafina and Kinley together account for almost a third of this market, with both Pepsi and Coca Cola becoming increasingly aggressive in this segment.

Band Aid

BAND-AID has been covering cuts and wounds for over 90 years the world over and 40 years in India. In India, Band-Aid was launched in the year 1978. Today, BAND-AID is an undisputed market leader in the market for adhesive bandages in India, in terms of volume and value, with 59% share in terms of volume and 61% in terms of value (Source: ORG 2002). A study conducted by Usage & Attitude (U&A) in 1999 shows that 94% of consumers have used Band-Aid at least once. Its universal appeal is evidenced in the fact that most people have used BAND-AID sometime or the other. Indeed, it is one of those classic cases of a new product category becoming the generic brand name.

The brand is currently being positioned on "Continuous Care". The positioning is pitting this brand against the ointments and other external applications. The concept is to educate the customers that use of plasters will heal wounds better than the use of ointments. Band-Aid is available in three variants: fabric (also called regular), wash-proof and turmeric. The key differentiating factor in the case of the first two is the material of the dressing. Band-Aid fabric constitutes the bulk of the total sales. The turmeric-medicated pad provides the unique properties of turmeric to heal wounds and is priced at par with the fabric variant. The two major selling variants also come in different shapes like spots and patches to suit different wound positions, sizes and shapes.

CHARACTERISTICS OF BRAND BISLERI AND BRAND BAND AID

Bisleri

Bisleri has the following brand characteristics which make it the leader in the Indian packaged drinking water market:

Attributes: Bisleri suggests clean, hygienic, safe and high-quality drinking water, which the consumer can trust implicitly. The company may use one or more of the attributes to advertise the product. In recent times, Bisleri advertised “The sweet taste of purity”. This tagline served as a positioning platform for the product’s other attributes.

Benefits: Customers are not buying attributes; they are buying benefits. Attributes need to be translated into emotional and functional benefit (purity, in this case).

Values: The brand also says something about the producer’s values. Thus Bisleri stands for high quality, safety, purity and so on. The brand marketer must figure out the specific groups of packaged drinking water buyers who are seeking these values.

Culture: The brand may represent a certain culture. Bisleri represents the modern Indian culture: high quality, safety, trust in certain brand names, etc.

Personality: The brand can also project a certain personality. If the brand were a person, an animal, or an object, what would come to mind? Bisleri may suggest a trustworthy friend (person), an embodiment of the pure Ganga (river), or a safe haven (object). Sometimes it might take on the personality of an actual well-known person or spokesperson.

User: The brand suggests the kind of consumer who buys or uses the product. We would be surprised to see a poor labourer buying a Bisleri. We would expect instead to catch an executive drinking Bisleri. The users will be those who respect the product’s values, culture and personality.

Band Aid

Band Aid has the following brand characteristics which make it the leader in the Indian adhesive bandage/medicated plaster market:

Attributes: Band Aid suggests clean, hygienic, safe and high-quality medicated plaster, which the consumer can trust implicitly. The company may use one or more of the attributes to advertise the product.

In recent years, Band Aid has used the “Iska asar lagatar” platform. This tagline emphasizes the “Continuous Care” positioning strategy to demonstrate the product’s superiority over other remedies.

Benefits: Customers are not buying attributes; they are buying benefits. Attributes need to be translated into emotional and functional benefit (safety through protection, in this case).

Values: The brand also says something about the producer’s values. Thus Band Aid stands for high quality, safety, protection and so on. The brand marketer must figure out the specific groups of medicated plaster buyers who are seeking these values. Johnson and Johnson has done this brilliantly by providing a superior product, backed by the producer’s tremendous equity in terms of being one of the most trusted companies in the world.

Culture: The brand may represent a certain culture. Band Aid represents the American obsession for the best in every sphere of life: high quality, safety, trust in certain brand names, etc.

Personality: The brand can also project a certain personality. If the brand were a person, an animal, or an object, what would come to mind? Band Aid may suggest a trustworthy elder (person), an embodiment of protection (nature), or a safe haven (object). Sometimes it might take on the personality of an actual well-known person or spokesperson.

User: The brand suggests the kind of consumer who buys or uses the product. We would be surprised to see a poor farmer buying a Band Aid. We would expect instead to catch an educated housewife buying Band Aid for the family. The users will be those who respect the product’s values, culture and personality.

FIELD STUDY: BISLERI AND BAND AID

The researcher has conducted a consumer survey through personal interview for primary research; by means of a questionnaire administered to literate adult (18-59 years) respondents in suburban Mumbai. The consumer survey

focused on finding if people realize that Bisleri or Band Aid is one brand in the purified water/adhesive bandages space, or it is synonymous with the category. Brand loyalty of the consumer was also analyzed, to gauge his response (e.g. what is his response to the retailer substituting Bisleri or Band Aid with some other brand?). Does he accept or reject the substitution? The survey attempted to capture all these nuances through the responses that cropped up during the process.

LIMITATIONS OF THE RESEARCH

- Time constraint led to a limited sample size restricted to a few areas of the target population; hence the sample may not be completely representative in terms of size, area etc.
- Respondent comprehension could have been a problem in some cases.
- Since the study was conducted in metropolitan Mumbai, the results may not apply to other parts, since the respondent composition/characteristics would be very different the sample population.
- The results pertain to the sample being studied, and may vary for a different set of respondents. So further validation may be required through more such studies.
- The findings may also vary over a period of time, since various pertinent factors like brand communication, respondent recall etc., may change due to interim activity.

CONSOLIDATED SURVEY DATA ANALYSIS: BISLERI

Amongst **78%** of the respondents asking for “Bisleri”, when they want bottled drinking water, almost **70%** settle for substitute brands. Extrapolating this gives us approximately **55%** of the respondents willing to accept other bottled drinking water brands when they ask for Bisleri.

STATISTICAL ANALYSIS (BISLERI)

The data findings were analyzed through the use of Hypothesis Testing technique, to test whether brand Bisleri is generic with the bottled drinking water category. This was done to ensure that the findings of the survey were statistically significant and could be validated accordingly. This was necessitated by the fact that the possibility of random occurrence of the event had to be considered, so that our conclusions could stand the test of statistical validation. **The Z test** was used, since the large sample population deemed this appropriate. Confidence level and the level of significance were preset at 95% and 0.05 respectively, to arrive at a critical value that could be used to compare our test value. This in turn would lead to acceptance or rejection of the hypothesis. The results are enumerated below:

Hypothesis Testing

Hypothesis: Whether brand Bisleri is generic

Ho: p = 0.5 : Null Hypothesis: ≤ 50% of the respondents who ask for “Bisleri” accept other brands, so brand Bisleri is not generic.

Ha: q = 0.5 : Alternative Hypothesis: > 50% of the respondents who ask for “Bisleri” accept other brands, so brand Bisleri is generic.

Significance level = 0.05 (for testing this hypothesis)

Summarizing,

| | |
|------------------------------|--|
| p = 0.5 | q = 0.5 |
| n = 400 (sample size) | \bar{p} = 0.55 (sample proportion) |

Using Z test for proportions, we get

$$Z = (\bar{p} - p) \div (p \times q/n)^{1/2}$$

= 2.00

For 1-tailed test (right tail) Alpha = 0.05, Z (critical value) = 1.65

Since the value of the test statistic (2.00) is greater than the critical value (1.65), the null hypothesis is rejected, and hence brand Bisleri is generic with bottled drinking water.

10.1 Consolidated Survey Data Analysis (Band Aid)

Amongst **88%** of the respondents asking for Band Aid, **67%** are willing to accept substitute brands. Extrapolating this gives us approximately **59%** of the respondents settling for other adhesive bandage brands when they ask for Band Aid.

Statistical Analysis (Band Aid)

The data findings were analyzed through the use of Hypothesis Testing technique, to test whether brand Band Aid is generic with the category of adhesive bandages. This was done to ensure that the findings of the survey were statistically significant and could be validated accordingly. This was necessitated by the fact that the possibility of random occurrence of the event had to be considered, so that our conclusions could stand the test of statistical validation. **The Z test** was used, since the large sample population deemed this appropriate. Confidence level and the level of significance were preset at 95% and 0.05 respectively, to arrive at a critical value that could be used to compare our test value. This in turn would lead to acceptance or rejection of the hypothesis. The results are enumerated below:

Hypothesis Testing

Hypothesis: whether brand Band Aid is generic

Ho: p = 0.5 : Null Hypothesis: ≤ 50% of the respondents who ask for “Band Aid”, accept other brands, so brand Band Aid is not generic.

Ha: q = 0.5 : Alternative Hypothesis: > 50% of the respondents who ask for “Band Aid”, accept other brands, so brand Band Aid is generic.

Significance level = 0.05 (for testing this hypothesis)

Summarizing,

p = 0.5

n = 400 (sample size)

Using Z test for proportions, we get

$$Z = \frac{(\bar{p} - p) \div (p \times q/n)^{1/2}}{= 3.6}$$

q = 0.5

p̄ = 0.59 (sample proportion)

For 1-tailed test (right tail),

Alpha = 0.05,

Z (critical value) = 1.65

Since the value of the test statistic (1.6) is greater than the critical value (1.65), the null hypothesis rejected, and hence brand Band Aid is generic.

Strategies to deal with genericide: Bisleri and Band Aid

CONCLUSION

Genericide can be avoided with astute research and advertising, the former to detect a danger point and the latter to offer a category name to associate with the brand. The key is timing, using primary demand advertising early enough in the product life cycle to help establish the product category in consumers’ minds before brand name and category are confused, but not so early that the advertiser fails to build brand equity. The use of category-creating advertising during the introduction stage of the product life cycle could allow a brand to achieve high brand equity while avoiding the danger of genericide. Further research in this area is required to develop a better understanding and comprehension of this paradox.

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