



Branding & Celebrity Endorsements

HOW GOOD IS THE STRATEGY?

Cement companies are aligning their selling strategies with branding campaigns and celebrity endorsements. A review of some of the innovative branding and marketing exercises of the Indian cement companies and their impact on the businesses of these companies.

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Branding and marketing are the strategies adopted by the companies to differentiate their products from the rest of the pack. Today most of the products, be it consumer durables such as TV, refrigerator, computer, mobile phone, etc. or fast moving consumer goods such as soaps, toothpaste, shaving cream, deodorant, etc. come with a distinct brand identity. Cement players too have realized that in order to retain customer loyalty, they need to create their distinct brand identity.

Cement as a brand concept:

Cement being a commodity, it is challenging for cement companies to differentiate cement manufactured by one company from cement manufactured by other companies. This is where an effective branding and marketing exercise plays an important role. When new players are making a foray into the Indian market and existing players are trying to stave off the competition and consolidate their positions.

Proper attention and focus need to be paid to develop an effective branding and marketing strategy by cement companies. The skill here lies not just in capturing a market and selling a commodity but creating a distinct brand space for the commodity. Commenting on the need to build a brand out of a commodity, P.K. Ghosh, Chairman, Ercom India, stated, "Cement is a widely used commodity in bulk, next to probably consumption of wheat, and proper branding of the product is a very



OP Puranmalka,
*Wholetime Director,
Ultratech Cement*

"A credible brand gains more likeability"

What are your present marketing strategies for promoting your products?

The brand is positioned as "An Experts Choice". The strategy is to showcase UltraTech as a young, dynamic, premium and credible brand which caters to all needs of the modern engineer and contemporary construction needs. Here is a brand that he can lean back on to translate his dreams into reality. We have also used cricket extensively for brand exposure. We ensure that the brand recall is high across markets.

How has branding helped cement companies in increasing their sales?

Branding helps differentiate the products. Brands have become value drivers. In the case of individual home builders generally the purchase is done by a petty contractor or mason. Branding helps in better recall and recognition of the specific product. It also helps in increasing the trust level of consumers. Repeat purchases are also facilitated by proper branding. In the case of institutional buyers, branding helps in official specification of

the product especially in tenders.

Do you feel brand promotion by celebrities is an effective strategy to reach the targeted customer?

Many companies have been using celebrities for their brands. Some claim to have benefitted from this. When a celebrity is used one needs to ensure that there is a Brand Fit. Secondly the celebrity should be properly placed in the script. When it comes to cement, the consumer looks forward to building a strong and durable structure and endorsement by a celebrity may not be a catalyst in the decision process. In some cases the celebrity will be remembered and the brand connect may be low rendering the branding process redundant.

How do you see the future of branding for cement?

Branding will gain more importance in future, because strength is hygiene in cement. With the advent of new players and increase in capacity by current players, branding is imperative.

How do you perceive cement as a brand concept?

Cement is no longer just a commodity. Today we have a glut of cement flowing in from several parts of the country. More and more players are getting into the national stream. Hence branding makes sense as it is a major differentiating factor. Today there is a visible competition amongst cement brands to gain space in the consumer's minds. The common consumer is generally not well versed with the physical and chemical characteristics of cement. His decision is based on the trust he lays in a brand. For him the name matters. Similarly corporate and institutions would also like to be associated with a dependable brand. Hence a credible brand gains more likeability amongst consumers.



critical part of the overall marketing strategy. A brand has to be created around some significant Unique Selling Points (USP), which could either be the strength, reliability, quality, trust or heritage etc.” Leading cement brands in India like Ultratech and ACC have been in a position to improve their market across the country through their brand image. The driver of the brand value includes the brand’s ability to attract consumers and improve relationship with them, thereby improving sales.

An effective branding strategy must also result in proper positioning of the product. Commenting on the role played by a branding strategy in the positioning of a product, Ghosh stated, “The branding strategy should help in benchmarking of the product and build a positive lasting impression in the minds of the targeted consumers. For example Ambuja Cement’s brand is built around the concept of “Strength”, Binani Cement’s brand is based on “long lasting durability” whereas Ultratech have positioned their brand as the “Engineers Choice.”

Different companies have adopted different branding practices in order to retain customer loyalty. Commenting on this aspect, Ghosh stated, “During earlier days, the ACC brand was almost synonymous with cement, which has probably still in-

fluenced Holcim to retain the brand name of ACC and Ambuja and not to use Holcim brand. On the contrary, Lafarge adopted its own brand image over the previous brands.”

Elaborating on the importance of cement as a brand concept, SVS Shetty, CEO, Anjani Portland Cement, stated, “Cement is very much a brand concept...When most of the brands manufacturing cement maintain standards above BIS specifications, an awareness of internal brand building through good corporate culture with focus on employees & external representation will hold great value with the customers.”

A well planned and executed brand strategy also results in increased sales for the company. This is due to the fact that it helps the cement companies in developing significant market space for its product, as people normally tend to go with the brand name, which has a good market reputation. This automatically translates into increase in sales and a relatively larger market share, with better realization than unknown brands.

Innovative branding & marketing strategies

Reaching The Consumers Directly

Many cement companies have adopted the practice of reaching the customer directly alongwith the normal practice of interaction with the regular trade channel. This is helping companies in understanding the buying process and preferences of the customer and accordingly allocate their efforts and resources. Commenting on the need to open a direct communication channel with the end consumer, BK Singh, ED, GM&C, Dalmia Bharat Group said,



SVS Shetty, Anjani Portland Cement Ltd

“An awareness of internal brand building through good corporate culture with focus on employees and external representation will hold great value with the customers”

“We have started working with the end consumers directly in addition to our regular processes of engagement with the trade partners and influencers.”

For Anjani Portland Cement, a leading cement player in South India, the simplest mantra of brand practice is to draw direct communication lines with the customers and meet all their service requirements. The company has initiated several pathbreaking marketing concepts like Anjani Studios, NirmaanSanjeevani (Mobile Concrete Solutions) to take the company’s products and services to the customers’ doorsteps through vastu suggestions, assistance for structural design and drawing, cost estimation for construction and rendering construction supervision to end users. Commenting on

this unique branding practice by the company, Shetty stated, "A visit to Anjani Cement Studios at the corporate office and towns of Bhimavaram and Kakinada will enlighten the customer about all aspects, stages and facets of cement. NirmaanSanjeevani has proved to be a panacea for all construction activities in its areas of operation." Apart from these services, the company also provides immediate accessibility of trained structural engineers for giving structural advice and demonstrating the best uses of cement at all stages of construction, their procedures and raw materials. This practice has proved to be of great value. The company promotes its brand as cement experience rather than cement sale.

Film Branding

Films have always been the most popular form of entertainment for the majority of the Indian population. Hence, this proves to be the most convenient and all encompassing medium to reach people. This in-film branding opportunity was used by UltraTech cement for the first time in the cement industry. In the 2008 Hindi movie, Chak De India, UltraTech Cement was the sponsor of the Indian hockey team. The brand was visible throughout the movie.

Celebrity endorsements

Cement companies have also jumped on the bandwagon of roping in celebrities in order to promote their brands. Binani Cement is one of the mid-sized cement brands of the BrajBinanigroup. Bollywood superstar Amitabh Bachchan is the brand ambassador for the brand. The tagline for the commercials is "Sadiyon KeLiye." Commenting on the practice of having celebrities endorsing cement products, Ghosh noted, "Due to increased competition, cement producers are more and more real-

izing the need to engage celebrities to act as their brand ambassadors. For a common consumer, use of celebrities promoting the cement brand always has a unified appeal due to the familiar personalities, just like the case of other FMCG products." However, cement companies need to be prudent and clearly define the significant USP of the cement being marketed. This will enable the consumer to be able to relate to the personality of the celebrity to those features and qualities around which the brand is built. It makes sense for a celebrity to endorse a cement brand when it is new in a particular market and needs a credible vehicle to build confidence in the minds of consumers and channel partners. Explaining the influence exerted by celebrities on consumers, Shetty stated, "Many companies have taken the support of celebrities to reach out to customers. The popularity of these personalities is meant to boost the customer confidence in the brand. But whether there is a boost in sales is best answered by those who have assigned Bollywood heroes and cricketers as brand ambassadors."

Future of Branding for cement companies

Due to increased competition with passage of time, the significance of branding in cement products is likely to increase further. The brand war will intensify and become more aggressive with the induction of not only celebrities to promote them on the television, newspapers and roadside hoardings, but to also



PK Ghosh, Chairman,
Ercom Engineers Ltd

“ With the cement market becoming competitive with the entry of new players, all manufacturers are realizing the significance of product branding ”

involve them on a more continuous basis, as brand ambassadors.

However, sounding a note of caution on the aspect of branding, Ghosh said, "The future of branding may have its own problems and turbulences particularly due to the likely consolidations, takeovers and mergers, which may happen in the cement industry in near future." The



“The first step is to create differentiation”

What is your view on cement as brand concept?

To get a perspective it will be insightful to do a quick check on some of the adjacent industries such as paints, sanitary ware, tiles and electrical switches etc. These industries are at various stages of evolution. Paint and sanitarware are ahead by more than a decade compared to cement – nearer to the consumer and engage directly with them at the point of purchase. Cement has still a long way to move nearer to the consumer and establish as a brand.

How does one differentiate one brand from another?

The shift from a commodity to a brand in plain terms is a process of connecting the core product with the end consumer. The first step is to create differentiation in terms of quality, price, support and reliability followed by creating expectations of trust, affection, loyalty and reputation. Cement, as commodity needs to move towards an augmented offering by creating differentiations.

What are your present marketing and branding

most pertinent example in this case is of Grasim Cement which had its own brand like Birla Plus & Birla Super and L&T which was holding premium segment of cement market. Grasim faced a tough task of making the choice between merging L&T brand with the existing brands of Grasim or to launch a new brand for the consolidated company. The company decided on the latter and went ahead with the Ultratech brand and positioned itself in the premium segment of the market, which L&T

strategies for cement?

We have started working with the end consumers directly in addition to our regular processes of engagement with the trade partners and influencers. Dalmia Bharat group is present in south, east and north east markets with very strong brands. The challenge for us is to craft a strong brand strategy for the overall organization.

Has branding helped your company increase sales?

We have strong belief in investing in our brand and experienced that there is a direct correlation between the investment and its positive impact on sales. Additionally it creates higher loyalty of the consumers towards the brand and can command a better price which can be again ploughed back into the brand building process. It is a positive circle.

Do you feel brand promotion by celebrities is an effective strategy?

It is highly subjective and it is a matter of options one exercises. But personally it makes sense where the brand is new in a particular market and needs a credible vehicle to build confidence in the minds of consumer,

earlier enjoyed. The Ultratech brand has been positioned as “Engineers Choice”. This branding exercise has met with great success. However, it could be a risky affair for some other company to carry out such branding exercise which might end up as a failure as well.

Commenting on the branding role of cement in the future, Shetty commented, “Brand value will be strongly driven by future growth projections and the hurdles posed to the present growth curve. With so many compet-



BK Singh, Executive Director, GM&C, Dalmia Bharat Group

influencers and channel partners.

What are the pitfalls in branding strategy?

Brand building is a well thought-out strategy which is linked to the overall organizational goals. Any lack of synergy will weaken the whole exercise and can create dissonances and discontinuity in the minds of the consumer and public at large. Hence in my view, crafting the organizational goals is must before brand strategy is developed.

How do you see the future of branding in cement?

I think, we will see many initiatives in creating differentiations, focus on special application cements and enhancing of the consumer engagement process.

ing brands in the country, branding and product promotion activities will play a much bigger role in coming years.”

Presently, brand strategies are presently centralized, but going forward, brands with broadband consumer appeal will have values. There is a gap between perceptions of advertisement requirement in rural and urban market. Focus on branding in rural market will also be needed in future, as consumption will be increasing in these segments.

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