



NACINDAS KHANDWALA COLLEGE
OF COMMERCE, ARTS & MANAGEMENT STUDIES
MALAD WEST, MUMBAI - 400064

PROJECT REPORT ON

"WHY BRANDS FAIL"

PRESENTED BY:

SHUBHI VIRAL THAKKAR

ROLL NO: 5103

T.Y.BMS (MARKETING)

SEMESTER VI

PROJECT GUIDE

PROF. MONA MEHTA

SUBMITTED TO

NACINDAS KHANDWALA COLLEGE

ACADEMIC YEAR 2020-2021



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DECLARATION

I the undersigned **Mr. Shubh Thakkar** here by, declare that the work embodied in this project work titled "**Why Brands Fail**", forms my own contribution to the research work carried out under the guidance of **Ms. Mona Mehta** is a result of my own research work and has not been previously submitted to any other University for any other Degree to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

S Thakkar

Signature of Candidate

Mr. Shubh Thakkar

Certified by

Mona C Dr. Mona Mehta
1st March 2021.

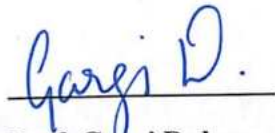
CERTIFICATE

This is to certify that **MR. SHUBH THAKKAR** has worked and duly completed his Project Work for the degree of Bachelor in Management Studies under the Faculty of Commerce in the subject of Project in Management Studies (Marketing) and his project is entitled, **“WHY BRANDS FAIL”** under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree of any university.

It is his own work and facts reported by his personal findings and investigations.

Date of Submission – 24th March 2021



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Executive Summary

Most new companies perish within nine years of their founding, but no leader starts a business to fail. The prevalence of failure in business tells us something about the way we start companies. While there are many causes for business failure and economic downturns, they tend to include a mercurial concoction of factors, such as lack of foresight, poor strategic planning, a shortage of capital, insufficient personnel, and inadequately trained individuals. To these we can add the broader factors, such as advances in technology, geopolitical forces, increased competition, and often, just plain greed. In addition to the ups and downs of the market—with its extremes of increasing wealth for the few and the loss of even hard-earned pension funds for others—a particularly tragic aspect of the modern economy is that the majority of the workforce is disengaged. It's a factor that increases the likelihood that companies either don't thrive to the degree they could or fail to survive over the long term. Let's not start businesses like this anymore. It's a start up era currently, and the stupidest thing that one can do about this is NOT LEARN FROM THE PAST. Yes, we don't look behind at all. There are many big brands which failed miserably and yet we make the same mistake and cry over the spilled milk. This is not the way it works! Hence, the research problem "Why brands fail?" is put forth in order to understand the real picture, the very meaning of the statement that we hardly think of - why brands fail? Surprisingly, this consists of backing of unexpected factors. The research covers a variety of perspectives and brand failure examples with an extremely relevant survey for analysis and interpretation. It will be shocking to know why they exactly fail. What were they thinking?

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Chapter 1: Introduction and Research Methodology

1.1 Introduction

How many businesses survive in the menacing & dynamic waves of the competition? Rather than nine out of 10 businesses failing, about 50 percent survive four or five years. Even that percentage may be overstated depending on the definition of "failure." Hence, Business survival rate is volatile. Print media, authors, economists, brand consultants, business consultants, business analysts, and everybody belonging to this field focus on comfortable or hopeful prospects aka the bright sides of them. The businesses have backbreaking work in what we call 'behind the scenes' - This is what makes them or breaks them depending on how and what goes right or wrong. As quoted by the great inventor Albert Einstein "I have not failed. I've just found 10,000 ways that won't work." How to be successful in business is a ubiquitous topic of discussion, How not to be a failure is something that needs meticulous and broad study. Therefore, to understand "what not to do" or "what could have been done", this research problem was put into function. The research problem is called WHY BRANDS FAIL? It is done religiously by classifying them and categorizing them, then presenting examples accordingly. For instance, Idea failures, Extension failures, PR failures, Cultural failures, Rebranding failures, Tired brands, Technological failure. The brands included aren't the ones which completely died after failures, they are still surviving with all the lesson learnt. Also, the brands included cover the past performances. Most of the brands covered in the research are relatively better in the present scenario.

1.2 Research Methodology

Research Process

Research process requires patience and thinking. Research is a careful & systematic study to establish facts or principles, asking questions, scientific examination (re-examination), based on empirical data to study and understand social & psychological factors. It comprises of a typical process which is as following :

1. Formulating research process

Problem Statement : Why Brands Fail?

a. Unit of Analysis –

- Brands
- End users/consumers

b. Characteristics of interest –

- Why, what, how brand strategies are implemented and their outcomes.
- Buying behavior of consumer in response.

c. Time & space boundary – 2 Months

d. Environmental conditions - Rising era of companies and start ups

2. Objectives

1. To understand why Brands fail, knowing why brands fail, what do they do and what do they not do.
2. To understand the reason behind the failure. To learn 'what not to do'.
3. To understand what impact it can create on consumers or end users.

3. Research Design

- The Research Design in this project is Descriptive in nature.
- The main objective of this Research Design is to understand why brands fail.

- How end consumers have had reacted throughout the brands failures is also considered.
- Survey is conducted of people. Majority of which consists of 122 consumers. Questionnaire for the same was developed and the responses are taken.
- Theories and articles are considered a part of resource for this Research.
- Information relating to the future of the brands can be projected through this Research and Predictable Failures of brands can also be determined.

4. Formulating hypothesis

The choice between the formulation of research questions and the development of hypotheses depends on the research approach. The hypothesis made in this research project is –

"Nokia is an innovative mobile"

H0 - Nokia is not an innovative mobile

H1 - Nokia is an innovative mobile

5. Sample Design

- Non-Probability sampling is used.
- Judgmental sampling is considered.
- Sample size of 122 people of age 18 - 25 is taken into consideration.

6. Sources of Data

Primary Data	Questionnaire
Secondary Data	Articles and data

7. Collection and Analysis of Data

Questionnaire is more desirable than any other method because:

- It will help to capture reviews and perception towards brands.
- Customer's changing demand for brands in the market can be ascertained.
- It will be more convenient as compared to other methods of collecting data.

8. Limitations:

- The Research is done in limited Time.
- The sample size is 122 from Mumbai, India.
- The sampling is Non-Probability convenience method which may lead to error.
- Most people understand success better than they understand failure.
- Questionnaire (survey) of only 1 brand is considered because not everybody knows/recognize/remember all the failures used in the study. Also, the hypothesis is based on the same brand for that matter.

Chapter 2: Branding – Insights into branding

2.1 Meaning:

To understand **branding**, it is important to know what brands are. A brand is the idea or image of a specific product or service that consumers connect with, by identifying the name, logo, slogan, or design of the company who owns the idea or image. Branding is when that idea or image is marketed so that it is recognizable by more and more people, and identified with a certain service or product when there are many other companies offering the same service or product. Advertising professionals work on branding not only to build brand recognition, but also to build good reputations and a set of standards to which the company should strive to maintain or surpass. Branding is an important part of Internet commerce, as branding allows companies to build their reputations as well as expand beyond the original product and service, and add to the revenue generated by the original brand.

When working on branding, or building a brand, companies that are using web pages and search engine optimization have a few details to work out before being able to build a successful brand. Coordinating domain names and brand names are an important part of finding and keeping visitors and clients, as well as branding a new company. Coordination of a domain name and brand names lends identification to the idea or image of a specific product or service, which in turn lets visitors easily discover the new brand.

Branding is also a way to build an important company asset, which is a good reputation. Whether a company has no reputation, or a less than stellar reputation, branding can help change that. Branding can build an expectation about the company services or products, and can encourage the company to maintain that expectation, or exceed them, bringing better products and services to the market place.

1. Branding provides a competitive advantage

Whether you're a non-profit or a for-profit, your organization needs to compete for resources, funding and talent, and audience attention. To win your category, organizations plan and implement strategy—a roadmap that outlines specific actions and measures for reaching their goals and out maneuvering their peers for needed resources. When done correctly the organization's brand mirrors their strategic plan, and helps promote strategic areas and initiatives that will move the organization forward.

2. Brands provide a stable asset

Products might fail, companies are bought and sold, technologies change on a daily basis, but strong brands carry on through all these changes. Brands are the most sustainable asset of any organization, and when aligned with the overall strategy of the organization they can function as the central organizing principle for the organization's decision making. Consider that the Coca-Cola brand has been around for more than 120 years, while most of the world's other valued brands have existed for just 50 years, and most corporations only last 25 years.

3. Brands provide economic value

The value of organizations is divided into two areas: intangible and tangible assets—brands being intangible assets. A study of organizations in the S&P 500 index showed that over a 30-year period between 1975 and 2003 the overall corporate value of intangible assets increased from 17% to 80%. The magazine *Businessweek* has concluded that brands account for more than one-third of shareholder value. This leaves us with the conclusion that the value of most businesses comes from intangible assets, brands being the most prominent of these assets.

Consider that the Coca-Cola brand name alone is worth \$67million and accounts for over 54% of the stock market value of the organization. Or consider the value of brand to a non-profit like the Red Cross and the importance of their brand in attracting donations and volunteers. Because of their financial impact, brands are a unique organizational asset. Brands play a key role in attracting employees, partners and most importantly audiences to an organization. Brands help cut through the clutter of the marketplace, creating awareness for organizations and helping them attract and develop the mutually beneficial relationships with customers, suppliers and the public that they need to reach their goals.

4. Brands set expectations

We live in a world based on promises. The airline mechanic promises to do a thorough job, checking and rechecking the aircraft to make sure it's safe. Restaurants promise to provide fresh food made in clean environments. Our teachers promise to educate and protect our children during the school day. Often there are legal repercussions that bind people to fulfill these promises, but more often than not promises and vows are maintained based on the individual's own moral and ethical code. We have an unspoken contract with the people we live and work with, that they will do what they say they'll do. We have similar agreements with companies, products and services.

At the heart of branding is the promise that is made by the organization to the audience. The brand promise tells the audiences who you are, what you believe in, and what unique value you provide. The ability to fulfill your promises at every stage of the relationship is the defining factor for most organizations' success or failure. When promises are broken the reputation of the organization is called into question, and the brand suffers. When brand promises are kept, audiences respond with loyalty and affection.

We encounter brand promises on a daily basis. The simple act of getting a soda out of a vending machine is an exercise in brand promise. The vending machine offers many drink options to choose from, but more than likely our drink selection will be based on prior experiences with a specific product. We have an expectation of an experience when we make our selection, much of which has been established through the decision-making steps of awareness, interest, desire, and satisfaction.

Interestingly, the things that influence our decision-making process have little to do with the product or service. Much of our experience with a product or service is created through the associations that we've made with the product through advertising, brand identity and the environment in which the product is experienced.

2.2 Importance of Branding to avoid failures

The process of branding was developed to protect products from failure. This is easy to see if we trace this process back to its 19th-century origins. In the 1880s, companies such as Campbell's, Heinz and Quaker Oats were growing ever more concerned about the consumer's reaction to mass-produced products. Brand identities were designed not only to help these products stand out, but also to reassure a public anxious about the whole concept of factory-produced goods. By adding a 'human' element to the product, branding put the 19th century shoppers' minds at rest. They may have once placed their trust in their friendly shopkeeper, but now they could place it in the brands themselves, and the smiling faces of Uncle Ben or Aunt Jemima which beamed down from the shop shelves. The failure of mass-produced items that the factory owners had dreaded never happened. The brands had saved the day. Fast-forward to the 21st century and a different picture emerges. Now it is the brands themselves that are in trouble. They have become a victim of their own success. If a product fails, it's the brand that's at fault. They may have helped companies such as McDonald's, Nike, Coca-Cola and Microsoft build global empires, but brands have also transformed the process of marketing into one of perception-building. That is to say, image is now everything. Consumers make buying decisions based around the perception of the brand rather than the reality of the product. While this means brands can become more valuable than their physical assets, it also means they can lose this value overnight. After all, perception is a fragile thing. If the brand image becomes tarnished through a media scandal or controversial incident or even a rumor spread via the Internet, then the company as a whole can find itself in deep trouble. Yet companies cannot opt out of this situation. They cannot turn the clock back to an age when branding didn't matter. And besides, they can grow faster than ever before through the creation of a strong brand identity.

So branding is no longer simply a way of averting failure. It is everything.

Companies live or die on the strength of their brand. Yet despite the fact that branding is more important than at any previous time, companies are still getting it wrong. In fact, they are worse at it than ever before. Brands are failing every single day and the company executives are left scratching their heads in bafflement. The purpose of this research is to look at a wide variety of these brand failures, and brands which have so far managed to narrowly escape death, in order to explore the various ways in which companies can get it wrong. As the examples show, brand failure is not the preserve of one certain type of business. Global giants such as Coca-Cola and McDonald's have proved just as likely to create brand flops as smaller and younger companies with little marketing experience. It will also become clear that companies do not learn from each other's mistakes. In fact, the opposite seems to happen. Failure is an epidemic. It is contagious.

Brands watch each other and replicate their mistakes. For instance, when the themed restaurant Planet Hollywood was still struggling to make a profit, a group of supermodels thought they should follow the formula with their own Fashion Café. Companies are starting to suffer from 'lemming syndrome'. They are so busy following the competition that they don't realize when they are heading towards the cliff-edge. They see rival companies apply their brand name to new products, so they decide to do the same. They see others dive into new untested markets, so they do too. While Coca-Cola and McDonald's may be able to afford the odd costly branding mistake, smaller companies cannot. For them, failure can be fatal. The branding process which was once designed to protect products is now itself filled with danger. While this danger can never be completely eliminated, by learning from the bad examples of others it is at least possible to identify where the main threats lie.

2.3 Why do Brands fail?

A long, long time ago in a galaxy far away, products were responsible for the fate of a company. When a company noticed that its sales were flagging, it would come to one conclusion: its product was starting to fail. Now things have changed. Companies don't blame the product, they blame the brand. It isn't the physical item sitting on the shop shelf at fault, but rather what that item represents, what it conjures up in the buyer's mind. This shift in thinking, from product-blame to brand-blame, is therefore related to the way buyer behavior has changed. 'Today most products are bought, not sold,' write Al and Laura Ries in the 22 Immutable Laws of Branding. 'Branding "presells" the product or service to the user. Branding is simply a more efficient way to sell things.' Although this is true, this new focus means that perfectly good products can fail as a result of bad branding. So, while branding raises the rewards, it also heightens the risks. Scott Bedbury, Starbucks' former vice-president of marketing, controversially admitted that 'consumers don't truly believe there's a huge difference between products,' which means brands have to establish 'emotional ties' with their customers. However, emotions aren't to be messed with. Once a brand has created that necessary bond, it has to handle it with care. One step out of line and the customer may not be willing to forgive. This is ultimately why all brands fail. Something happens to break the bond between the customer and the brand. This is not always the fault of the company, as some things really are beyond their immediate control (global recession, technological advances, international disasters etc.). However, more often than not, when brands struggle or fail it is usually down to a distorted perception of either the brand, the competition or the market. This altered view is a result of one of the following seven deadly sins of branding:

- **Brand amnesia.** For old brands, as for old people, memory becomes an increasing issue. When a brand forgets what it is supposed to stand for, it runs into trouble. The most obvious case of brand amnesia occurs when a venerable, long-standing brand tries to create a radical new identity, such as when CocaCola tried to replace its original formula with New Coke. The results were disastrous.
- **Brand ego.** Brands sometimes develop a tendency for over-estimating their own importance, and their own capability. This is evident when a brand believes it can support a market single-handedly, as Polaroid did with the instant photography market. It is also apparent when a brand enters a new market for which it is clearly ill-suited, such as Harley Davidson trying to sell perfume
- **Brand megalomania.** Egotism can lead to megalomania. When this happens, brands want to take over the world by expanding into every product category imaginable. Some, such as Virgin, get away with it. Most lesser brands, however, do not.

- **Brand deception.** ‘Human kind cannot bear very much reality,’ wrote T S Eliot. Neither can brands. Indeed, some brands see the whole marketing process as an act of covering up the reality of their product. In extreme cases, the trend towards brand fiction can lead to downright lies. For example, in an attempt to promote the film *A Knight’s Tale* one Sony marketing executive invented a critic, and a suitable quote, to put onto the promotional poster. In an age where markets are increasingly connected, via the Internet and other technologies, consumers can no longer be deceived.
- **Brand fatigue.** Some companies get bored with their own brands. You can see this happening to products which have been on the shelves for many years, collecting dust. When brand fatigue sets in creativity suffers, and so do sales.
- **Brand paranoia.** This is the opposite of brand ego and is most likely to occur when a brand faces increased competition. Typical symptoms include: a tendency to file lawsuits against rival companies, a willingness to reinvent the brand every six months, and a longing to imitate competitors.
- **Brand irrelevance.** When a market radically evolves, the brands associated with it risk becoming irrelevant and obsolete. Brand managers must strive to maintain relevance by staying ahead of the category, as Kodak is trying to do with digital photography.

2.4 Brand Myths

When their brands fail companies are always taken by surprise. This is because they have had faith in their brand from the start, otherwise it would never have been launched in the first place. However, this brand faith often stems from an obscured attitude towards branding, based around one or a combination of the following brand myths:

- **If a product is good, it will succeed.** This is blatantly untrue. In fact, good products are as likely to fail as bad products. Betamax, for instance, had better picture and audio quality than VHS video recorders. But it failed disastrously.
- **Brands are more likely to succeed than fail.** Wrong. Brands fail every single day. According to some estimates, 80 per cent of all new products fail upon introduction, and a further 10 per cent die within five years. By launching a product you are taking a one in ten chance of long-term success. As Robert McMath, a former Procter & Gamble marketing executive, once put it: 'it's easier for a product to fail than it is to survive.'
- **Big companies will always have brand success.** This myth can be dismantled with two words: New Coke. Big companies have managed to have at least as much failure as success. No company is big enough to be immune to brand disaster. In fact, many of the examples highlight one of the main paradoxes of branding – namely, that as brands get bigger and more successful, they also become more vulnerable and exposed.
- **Strong brands are built on advertising.** Advertising can support brands, but it can't build them from scratch. Many of the world's biggest brand failures accompanied extremely expensive advertising campaigns.
- **If it's something new, it's going to sell.** There may be a gap in the market, but it doesn't mean it has to be filled. This lesson was learnt the hard way for RJR Nabisco Holdings when they decided to launch a 'smokeless' cigarette. 'It took them a while to figure out that smokers actually like the smoke part of smoking,' one commentator said at the time. Strong brands protect products. This may have once been the case, but now the situation is reversed.
- **Strong products now help to protect brands.** As the cases show, the product has become the ambassador of the brand and even the slightest decrease in quality or a hint of trouble will affect the brand identity as a whole. The consumer can cause the most elaborate brand strategy to end in failure.

2.5 Why focus on failure?

The aim of this research is to provide 'how not to' advice by drawing on some of the largest branding blunders of all time. Brands which set sail with the help of multi-million-dollar advertising campaigns shortly before sinking without trace are clear contenders.

Welcome, then, to the brand graveyard where companies have either put their flagging brand to rest or have allowed it to stagger around with no direction in a state of limbo. While these branding 'horror stories' may suggest that failure is inevitable, their example has helped to identify the key danger areas. It is hoped then, that this research will provide an illuminating, if rather frightening read.

3.1	Classic failure	Nokia, Bajaj
3.2	Idea failure	Kellogg's, Unilever-Persil Power
3.3	Extension failure	Pond's, Xerox PARC
3.4	Cultural failure	Parker Pen (Mexico), KFC (Hong Kong), Starbucks (China)
3.5	PR failure	Domino's, Kurl-On
3.6	Rebranding failure	Tommy Hilfiger, GAP
3.7	Internet & New Technology failure	Google Glass, Amazon Fire Phone
3.8	Tired Brands	Kodak, Levi's

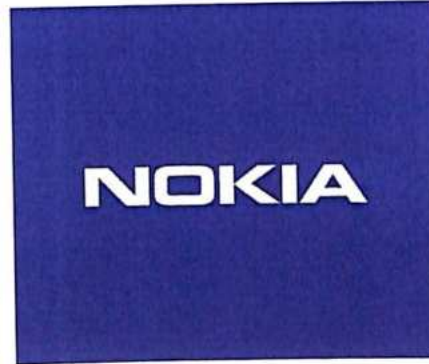
Chapter 3: Brand Failures

3.1 Classic Failure

Nokia

Nokia has fallen in recent years. Not that long ago, it was the world's dominant and pace-setting mobile-phone maker.

What happened to Nokia is no secret: Apple and Android crushed it. But the reasons for that failure are a bit more mysterious. Historically, after all, Nokia had been a surprisingly adaptive company, moving in and out of many different businesses - paper, rubber galoshes. Recently, it successfully reinvented electricity, itself again. For years, the company had been a conglomerate, with a number of disparate businesses operating under the Nokia umbrella; in the early



nineteennineties, anticipating the rise of cell phones, executives got rid of everything but the telecom business. Even more strikingly, Nokia was hardly a technological laggard—on the contrary, it came up with its first smartphone back in 1996, and built a prototype of a touch-screen, Internet-enabled phone at the end of the nineties. It also spent enormous amounts of money on research and development. **What it was unable to do, though, was translate all that R. & D. Spending into products that people actually wanted to buy.**

One way to explain this is to point out that Nokia was an engineering company that needed more marketing savvy. But this isn't quite right; in the early aught, Nokia was acclaimed for its marketing, and was seen as the company that had best figured out how to turn mobile phones into fashion accessories. It's more accurate to say that Nokia was, at its heart, a hardware company rather than a software company—that is, its engineers were expert at building physical devices, but not the programs that make those devices work. In the end, the company profoundly underestimated the importance of software, including the apps that run on smartphones; to the experience of using a phone. Nokia's development process was long dominated by hardware engineers; software experts were marginalized. (Executives at Apple, in stark contrast, saw hardware and software as equally important parts of a whole; they encouraged employees to work in multidisciplinary teams to design products.) It wasn't just that Nokia failed to recognize the increasing importance of software, though. It also underestimated how important the transition to smartphones would be. And this was, in retrospect, a classic

case of a company being enthralled (and, in a way, imprisoned) by its past success. Nokia was, after all, earning more than fifty per cent of all the profits in the mobile-phone industry in 2007, and most of those profits were not coming from smartphones. Diverting a lot of resources into a high-end, low-volume business (which is what the touchscreen smartphone business was in 2007) would have looked risky. In that sense, Nokia's failure resulted at least in part from an institutional reluctance to transition into a new era.

And there was another mistake. **Nokia overestimated the strength of its brand, and believed that even if it was late to the smartphone game it would be able to catch up quickly. Long after the iPhone's release, in fact, Nokia continued to insist that its superior hardware designs would win over users.** Even today, there are people who claim that if Nokia had stuck with its own operating systems, instead of embracing the Windows Phone in 2011, it could have succeeded. But even though the Windows Phone has been a flop, the truth is that, by 2010, Nokia had already introduced too many disappointing phones, and its operating system had already proven too buggy, clunky, and unintuitive to win consumers over. In 2008, Nokia was said to have one of the most valuable brands in the world. But it failed to recognize that brands today aren't as resilient as they once were. The high-tech era has taught people to expect constant innovation; when companies fall behind, consumers are quick to punish them. Late and inadequate: for Nokia, it was a deadly combination.

In September 2013, NOKIA announced that they had been acquired by Microsoft in a deal valued at \$7.17 billion. At the time, Nokia's CEO Stephen Elop ended his speech with the following words.

"We didn't do anything wrong, but somehow, we lost."

Such an ending is devastation considering Nokia used to own a large portion of the smartphone market share before the iPhone came out in 2007.

In a **LinkedIn** blog post by Nokia CEO Ziyad Jawabra, he notes that while Nokia technically did nothing wrong, it was their refusal to change and learn new things that ultimately lead to their demise. Jawabra wrote:

"They missed out on learning, they missed out on changing, and thus they lost the opportunity at hand to make it big. Not only did they miss the opportunity to earn big money, they lost their chance of survival."

Jawabra stresses that if a company doesn't embrace change and constantly learn new things, it will eventually be eliminated by new competition down the line. He wrote: "The advantage you have yesterday, will be replaced by the trends of tomorrow. You don't have to do anything wrong, as long as your competitors catch the wave and do it RIGHT, you can lose out and fail. To change and improve yourself is giving yourself a

second chance. To be forced by others to change, is like being discarded. Those who refuse to learn & improve, will definitely one day become redundant & not relevant to the industry. They will learn the lesson in a hard & expensive way.”

Bajaj



The brand which ruled the Indian roads have been laid to rest. Bajaj has officially stopped the production of Bajaj Chetak from December 2005. The stocks lasted may be up to March 2006. The company says that the product no longer has any relevance to the customer. To quote Rajiv Bajaj " Anyone who clings to the past is a failure".

The brand which was launched in 1972 virtually owned the two-wheeler segment. If reports are to be believed, Chetak was an unavoidable dowry in 1970's and 80's. It had a waiting period of more than 10 years.

The brand which was named after the legendary stallion of the Rajput king Maharana Pratap, was known for the reliability and sturdiness. The brand thrived during the license raj with virtually no competition. It was during 1990-91 that the brand began the journey to the end.

Bajaj Chetak had a huge brand equity. The brand had the persona of a "work horse". With reasonable price and the low maintenance cost made this product a huge hit among the middle-class Indians.

Promoted along the base line "Hamara Bajaj", this was the Indian Family vehicle - a position now owned by Maruti 800.

But then How can a brand that was so popular and successful fail?

The primary reason is that **the Brand forgot the customers**. Another case of **Marketing Myopia**. The company failed to understand the changing perception of the customers towards scooters. Rather than looking at the customers, the company focused on influencing Government to block the opening up of economy. Bajaj never did anything with the product. For 40 years Chetak had the same look, same quality and style.

During the mid-nineties the company realized lately that the segment has shifted to motorcycles. Scooters were no longer the option. But did the company made a mistake in discarding the scooter segment? Looking at the way the share prices are going, the market thinks that Bajaj Auto made the right decision.

But they made a mistake in leaving the scooter segment completely. Contrary to expectation, the scooter segment has not died. It has only changed.

Chetak lost its identity somewhere during the nineties. What should be the future of the brand: nobody knew. It was only in 2004 that company made any change in Chetak. In 1994 Bajaj introduced Classic another scooter with same style as Chetak, but failed.

Bajaj never was serious about product development. The R&D spent for a long time was a miniscule 1%. The average cycle time for the new product development was 4-5 years compared to 2-3 years of Japanese competitors.

Even after the opening up of economy, the scooter segment did not witness much competition.

The players like Vespa did not had much of success in this segment. Kinetic Honda managed to carve a niche with its gearless scooters. Another segment which was growing was the scooterette segment which was dominated by TVS scooty.

Bajaj never seriously looked at customer perception about Chetak. The product had serious problems like starting trouble and riding comfort. The "Tilting the chetak to the side for starting" was a common joke. Did the company do anything for that?

No.

There was nothing wrong with the Promotion. "Hamara Bajaj" and "No one can beat a Bajaj" were famous base lines. There was nothing wrong with distribution and the pricing was very reasonable. The major problem was in the first P: Product.

So, without addressing any problems regarding the product, can you expect the customer to buy the product?

Bajaj was never a leader in technology (but at one point they were). They never bothered to and paid the price. Had Chetak pioneered Electric start, had it provided more riding comfort, it could have survived.

Somebody has just beaten the Bajaj..... the customer!

3.2 Idea Failure

Kellogg's



Kellogg's initial foray into the Indian market is generally agreed to have been a failure.

The world's leading producer of cereals and a major snack foods manufacturer, Kellogg's entered the Indian market way back in 1994. Kellogg's is no stranger to international marketing : the products are manufactured in 18 countries and sold in over 180. Despite a high-profile launch and a frenzy of marketing activity, the first breakfast cereals it marketed were an initial failure in India.

There was little appetite for breakfast cereals in India in the early nineties, although milk was a regular part of the Indian diet, so Kellogg's needed to establish a market for the products if it wanted to win over the Indian consumer. Following a big media launch effort, initial sales seemed promising but it emerged that consumers were buying the product as a novelty but not repeat purchasing.

Most analysts conclude that the brand was overconfident and overlooked many critical cultural insights that would explain why the market wasn't ready for the breakfast cereals offered. It also seems that the pricing was far too high to be a regular grocery purchase, explaining the lack of repeat sales.

The Indian palette is considered by many to be a challenging one to crack. Indians were accustomed to boiling their milk and consuming it hot and sweetened.

One key hurdle for Kellogg's to overcome was persuading the Indian consumer to consume milk cold rather than hot when eating breakfast cereals.

When Kellogg's initially launched into the Indian market it was with crispy flakes that would go soggy when consumed with hot milk. When Indians tried the unsweetened breakfast flakes with cold milk, they couldn't get the sugar they added to dissolve properly.

This may explain why Kellogg's later enjoyed better success with Frosties, which come ready-sweetened with dissolvable sugars which sweeten the milk when it is added to the bowl. Indian consumers accustomed to gut-busting breakfast staples such as buttery fried parathas or deep fried vadas found breakfast cereals somewhat insubstantial when eaten as a substitute for India's more familiar breakfast items.

A bland bowl of cereal flakes also failed to match the variety of foods often eaten at breakfast time, or the habit of eating more flavorsome foods such as chutneys and pickles with various morning staples. Indian breakfasts tend towards spicy and hot; by offering a dish that was bland, sweet and cold Kellogg's was proposing the exact opposite of expectations at this time in the day. Essentially Kellogg's offered a product that failed to match local breakfast habits and expectations – and at twice the price of local competitors.

Other critics of the initial launch also thought that Kellogg's trod on a few toes with marketing campaigns implying the traditional Indian breakfast was not nutritionally sound.

A revised strategy pertaining to Indian market:

Kellogg's initially launched in India with corn flakes, wheat flakes and basmati rice flakes, none of which were especially successful. When Kellogg's launched Frosties (sweet, sugar-coated flakes) in 1997, even the company was surprised by their success.

Kellogg's reduced the price of their products and began to offer a wider range of product sizes to appeal to different customers. Individual packs were especially popular. Messaging was also changed, to reposition the cereals as a fun choice rather than just a nutritious one.

This approach may have been successful than the brand's previous attempt to imply that the traditional Indian breakfast was not nutritious – marketing messaging which may have made the Indian housewife rather indignant. The products were no longer positioned as premium products, in order to make them a regular rather than a one-off buy.

The brand also localized its branding and advertising approach to make it more acceptable. Gone was the familiar cockerel, and advertising campaigns using local faces such as a yoga instructor and Kathakali dancer attributing their vigor to a Kellogg's diet. Accompaniments such as curd and pistachio, which suited the local palate, were suggested.

Kellogg's took the decision to localize its flavorings, and chose brand names to appeal to the Indian public such as 'shakti' ('power') when selling products fortified with iron. These days, cornflakes are offered with mango and banana puree to suit local tastes.

Although the brand presently enjoys a colossal 70% market share, it now has to defend from rivals the market it has created. Logistically Kellogg's is well invested in this territory. All raw materials, including packaging, is sourced in India, and the main plant is located close to the largest market; all of which minimizes costs.

Using a network of agents, the brand has established a distribution network including storage facilities. Overheads are minimized by giving distributors large responsibility for sales. In 2010, the market growth was at 20% but following a change in leadership it is thought to be closer to 30%.

Kellogg's remains significantly pricier than local rivals such as Bagrry's, whose website and logo is breathtakingly similar to Kellogg's. Larger multinationals including Dr Oetker and PepsiCo are also muscling in on the market. Kellogg's India is defending its market share by expanding its distribution network by 50%.

It's arguable that only a massive brand like Kellogg's was capable of cracking the Indian market, given the amount of market creation and habit changing that was required.

What's generally agreed is that Kellogg's was too confident when it entered the market and didn't do enough research on local tastes and habits before plunging in. Whilst the company has now turned its performance

Kellogg grows 31% to cross Rs 500 crore sales mark in India

Sagar Malviya & Ratna Bhushan ET Bureau Dec 27 2013, 05:34AM IST

Tags: Wheat | The Kellogg Co | Sangeeta Pendurkar | PepsiCo | Oetker | net worth | Nestle | MTR | markets | market share | Marico | Kellogg India | Insurability | Honey Loops | Heinz | Food Bazaar | distribution | Devendra Chawla

MUMBAI/NEW DELHI: The world's largest breakfast cereal maker, The Kellogg Co, crossed Rs 500-crore sales mark in India after growing 31% last fiscal and more than doubling its business in three years, helped by India-centric innovations and single-serve affordable packs that attracted new consumers.

The American firm's rapid growth has come at a time when most of its multinational rivals, including Nestle and Heinz, have been struggling to register single-digit growth numbers in a slowdown market.



around, it has done so by trying new things but above all by localizing its offering and message to suit the market.

Failure of Kellogg's in the U.S.

The company had come unstuck on its home turf, most notably with its Cereal Mates product.

The idea was simple. Cereal Mates were small boxes of Kellogg's cereal packed with a container of milk and a plastic spoon. The advantage of the product was equally straightforward. Namely, convenience. An increase in working hours in the United States, combined with the rise in fast-food chains, led Kellogg's to believe that there was a demand for an 'all-in-one' breakfast product. To maximize Cereal Mates' chances of success, the line included the four most powerful Kellogg's brands in the US – namely Corn Flakes, Frosted Flakes (Frosties), Fruit Loops, and Mini Wheats.

However, despite Kellogg's best efforts, the Cereal Mates brand proved a major flop, and in 1999, the year Kellogg's rival General Mills took over as the United States' number one cereal maker, the product was pulled from the shelves.

The reasons why Cereal Mates failed to win over consumers are various, and have been dissected by various journalists and marketing professionals. Here are some of the main factors behind Cereal Mates' brand failure:

Factor one: warm milk. As each container of milk was 'aseptically packaged,' it didn't need refrigeration. However, consumers didn't like the idea of warm milk.

Factor two: cool milk. In order to accommodate for the consumer's preference for cool milk, Kellogg's eventually decided to place Cereal Mates in refrigerators to imply that consumers should have the milk cold. However, as Robert McMath, president of New Product Works and author of *What Were They Thinking?*, has observed, this led to even more confusion. 'This decision inevitably caused a problem in that Cereal Mates was not in a location where you would generally expect to find breakfast cereal. The expense of trying to re-educate the consumer to look for cereal in the dairy case proved too enormous – way beyond, apparently, what Kellogg's wanted to spend on selling the new line,' writes McMath.

Factor three: advertising. As if the consumer wasn't confused enough, Kellogg's complicated matters further with the advertising campaign for Cereal Mates. The TV ads featured young kids helping themselves to the product, while their parents lay snoring contentedly in bed. However, the packaging of the product was far from child-friendly, and if they left their kids to help themselves, the parents would have probably been crying (or at least getting cross) over spilt milk.

Factor four: the taste. Even when picked up from a refrigerator, the product was often consumed at work or away from home. In other words, when the milk was warm and tasted terrible.

Factor five: the price. Retailing at way over a dollar, Cereal Mates was considered too expensive by many consumers. These factors, working in conjunction, caused the Cereal Mates brand to fail.

And so, after two years on the shelves (or in refrigerators), Kellogg's pulled the plug on the product.

However, there may be one more reason why Cereal Mates failed to spark a revolution in breakfast habits. As a convenience food, it simply wasn't convenient enough. A February 2000 article in Newsweek ('Crunch time at Kellogg'), looked at the changing demands for breakfast products, and the consequences for the cereal company.

Americans' hectic new morning routine is wreaking havoc on Kellogg Co. Killer commutes (nearly an hour round trip in many cities) leave no time to fix even the simplest breakfast. Getting out the door is equally challenging for the 64 percent of families in which both parents work. More Americans than ever simply skip breakfast, according to new data from NPD Group, an eating-habits researcher. 'People wish they could just get breakfast injected into them on the run,' says Gerald Celente, editor of the Trends Journal, a marketing-industry newsletter.

Cereal Mates may have enabled people to take their cereal with them, but they still had to pour the milk over it, and spend valuable time eating the cereal with a small spoon. As Keith Naughton concluded in the article above, Breakfast Mates 'failed to catch on because it was impossible to eat while driving.' Indeed, where Kellogg's has had success in the convenience food market it is with breakfast bars such as Nutri-grain. Unlike Cereal Mates, these bars can be consumed in seconds, and on the move. Moreover, they don't involve warm milk.

Lessons from Kellogg's Cereal Mates

- Consumers don't like warm milk on their cereal.
- Don't mix your messages. On the one hand, Cereal Mates was an 'eat anywhere' product. On the other, Kellogg's was implying it needed to be stored in a refrigerator.
- Sell the brand in the right place. Cereal Mates was, essentially, a cereal rather than a milk product. Consumers would have therefore expected to see it on the shelves next to the other cereal products.
- Be the best in at least one thing. As a cereal product Cereal Mates failed because there were tastier and equally healthy alternatives. As a convenience product it failed because breakfast bars proved to be a faster, more flexible option.

- Don't price too high. Consumers did not expect to pay as much as they did for a four ounce box of cereal.

Unilever

Persil Power - A stubborn stain on Unilever's reputation



In the mid-1990s, the total UK market for soaps and detergents was worth £1.42 billion (US \$2.6 billion), and the largest sector was fabric washing, worth £960 million and 67.5 per cent of the total sector. The competition between the two leading companies within the sector, Unilever and Procter & Gamble, was intense and led to a quest for more and more and more innovative brand offerings.

When Unilever's star brand Persil announced the launch of a powerful new formula, aptly called Persil Power, many consumers got excited by the product's apparent ability to fight any stain. However, when the product hit the market place in May 1994, it proved so powerful that under certain conditions it didn't only destroy stains, it destroyed clothes as well. For the first few weeks though, Persil Power proved successful. Indeed, for a brief period, the product overtook its main rival Ariel. Indeed, Unilever stated that Persil Power represented a 'revolutionary' breakthrough in detergents, and was 'the most significant thing we've ever done.'

The only problem was, the brand's key asset – a patented manganese component called an 'accelerator' which was put in the powder – also proved to be its fatal flaw. As soon as stories of disintegrated clothes started to emerge, Procter & Gamble ploughed their resources into an accusation-laden publicity campaign which not only damaged Persil Power, but also had implications for Unilever itself. Consumers soon understood that the product could damage materials at high temperatures, and that if they bought Persil Power they risked destroying their clothes.

Niall Fitzgerald, who introduced Persil Power (and was Unilever's chairman) explained the brand damage to the whole Anglo-Dutch company in an interview with The Sunday Times. 'Communications had evolved so fast that within seconds this wasn't a brand issue, this was a corporate issue,' he said. 'So even if we had wanted to ring-fence our product, we couldn't have.' Most retailers quickly took the product from their shelves, and Unilever embarked on a massive crisis management programme, together with a complete overhaul of the company procedures that had resulted in the product emerging on the market.

At the start of 1995 Unilever replaced Persil Power with Persil New Generation. The overall cost was estimated at more than £200 million. Now, however, the whole episode is almost forgotten in the UK customer's mind, and Unilever has bounced back with its launch of detergent tablets. Indeed, the Persil brand has now regained leadership from Procter & Gamble's top brand Ariel. Ultimately, Unilever has been preserved by its heritage. After all, this is the company which produced the world's first packaged, branded laundry soap, Sunlight, over 100 years ago. Its brands may come and go, but Unilever itself has stayed strong.

Whether this will always be the case is another matter. In 2002, the company announced that it was considering branding some of its products, such as Persil, under its own name. In other words, the product would be branded as 'Persil from Unilever', instead of simply 'Persil'. In an article in the Guardian journalist Julia Day explained the logic behind the move: The idea is to create consumer-friendly brand values – such as a commitment to the environment – for Unilever to use when marketing its products. Niall Fitzgerald, the chief executive of Unilever, said the company believed the time may be right to develop Unilever as an 'umbrella brand' for its individual products. The company has avoided taking this route in the past because of the high risk involved. If one product encounters a problem the image of other products could be damaged.

But the advantages for Unilever are that it could develop Unilever as a brand with 'values' that could be applied to all brands. One example Niall Fitzgerald gives in the article was establishing Unilever's environmental credentials. 'The cost of doing that for individual brands is immense,' he said. As the Persil Power episode illustrates, this is a risky move. If, in 1994, the new brand had been branded clearly as 'Persil Power from Unilever', it would have tarnished all Unilever brands, and the damage would have been even greater.

Lessons from Persil Power:

- Don't fuel your competitor's publicity. Procter & Gamble's negative campaign against Persil Power helped to boost its Ariel brand of detergent.
- Test products in all conditions. Products need to be tested in every environment or context they are likely to be used. If Unilever had been able to spot the fundamental flaw with the product it would have prevented what the then Unilever chairman Sir Michael Perry referred to as 'the greatest marketing setback we have seen.'
- Accept that no brand is an island. 'Even if we had wanted to ring-fence our product, we couldn't have,' admitted Unilever chief executive Niall Fitzgerald.

3.3 Extension Failure

Pond's Toothpaste



The name itself sounds extremely strange - full of chemicals and not really worth trying for our oral care.

Pond's, the popular brand of face cream, didn't prove to be quite so popular when it applied its name to toothpaste. In a blind test environment, people were not able to differentiate Pond's toothpaste from that of Colgate. However, when the Pond's name and imagery were attached to the toothpaste, no-one was interested. Although Pond's had successfully extended its brand before (into soap products, for instance), these extensions had all been linked by a similar fragrance. 'The main attribute of a toothpaste is taste, this mismatch between taste and fragrance created a dissonance in the minds of consumers,' says Dr M J Xavier, professor of marketing at the Indian Institute of Marketing. 'To most people Ponds was something to do with fragrance and freshness and used for external application only.'

Ponds toothpaste is a classic case of product failure by extension. Brands need to be careful to choose the territory in which they tread. Brands need to be cautious while choosing the territory in which they tread. Lack of proper research before entry into a new market or segment can lead to catastrophic results which include wasting of big sum of money on product development and marketing.

'Ponds', the popular brand of face cream, didn't prove to be quite so popular when it applied its name to toothpaste. In a blind test environment, people were not able to differentiate 'Ponds' toothpaste from that of 'Colgate'. The real problem was that no one seemed to be interested when Ponds label was attached to the toothpaste; Although Ponds had successfully extended its brand before to soaps & shampoo, but the attributes required in toothpaste case were simply missing.

To consumers the brand Ponds was nothing but fragrance & a consumer product for external application only; this did work brilliantly with soaps & creams however the attributes for toothpaste are taste. This mis-match between the attribute of toothpaste & the soap created a disillusionment in the mind of consumers thus when Ponds ventured into oral health care, it was ignored. Consumers simply refused to acknowledge its presence leading to a sudden but painful death of a brand.

Extensions have more chance of being successful when their functional benefits remain alike or the same.

HUL brand Ponds successfully moved from cold cream to other extensions such as Age defying creams, soap, shampoo & talc, because the basic premise of protection for the skin and freedom from wear and tear remained the same, while as in case of Ponds toothpaste its failed even though both the product are also to be used for cleanness and freshness.

With toothpaste we clean & then spit it out, whereas with cream, soap or shampoo we apply it externally. Thus perception of cleanness and freshness is taken so differently in different products. Even-though the attributes are same, soap & toothpaste yet the market does not perceive it to be same.

A wrong choice in brand extension without proper market research & without proper product attribute knowledge is what led to failure of the Ponds Toothpaste.

Xerox

Fumbling the future at Xerox PARC



“There is a wide difference between completing an invention and putting the manufactured article on the market.” — Thomas Alva Edison

PARC (Palo Alto Research Center), located on the Stanford University campus, was founded in 1970 as a division of Xerox Corporation. They were an R&D lab that Xerox planned to use to both create new products and augment their current ones. They were tasked with creating “the office of the future.” In the mid-1970s, almost half of the world’s top 100 computer scientists were working at PARC. Within five years of its founding, PARC had developed a wide array of important computer technologies, including the following:

- Xerox “Alto” – the first personal computer with a mouse and graphical user interface (GUI) that included windows, icons, and pull-down menus.
- A WYSIWYG (what you see is what you get) text editor.
- Computer generated graphics.

- *An Ethernet local-area-network.*

- *Laser printing.*

In Everett Roger's book *Diffusion of Innovations*, he uses Xerox PARC as a case study in the "commercialization" phase of the innovation-development process. What led the engineers and scientists at PARC to such an amazing track record? Rogers breaks it down as follows:

- i. **Outstanding R&D personnel.** Several key R&D employees moved to PARC from nearby SRI International, where they had been working under visionary computer scientist Douglas Engelbart. It was around that time that funding to SRI from DARPA, NASA, and the Air Force began to diminish.
- ii. **Management style** that was conducive to creating technological innovation. Led by Dr. Robert Taylor, PARC encouraged the free exchange of technical information among the research workers. Their regular meeting room was equipped with beanbags, and the walls were lined with white boards. There was little hierarchy in PARC, and resources were plentiful.
- iii. **R&D employees used the innovations that they created in their daily work.**
- iv. **Timing.** The time was ripe for technological innovation in personal computing. A crucial prior innovation, the microprocessor, had recently been invented at nearby Intel Corp. Rapid advances in miniaturizing semiconductor functions, with a corresponding decrease in price per unit of computer memory, occurred in the early 1970s.

For anyone not familiar with the history of the computer, the question is obvious — if the above is true, why don't we all have Xerox computers and Xerox operating systems in our homes right now? The simple answer is that although Xerox PARC invented them, they failed to commercialize and market most of their best discoveries.

In *New Yorker*, Malcolm Gladwell writes about innovation and how Xerox PARC failed to profit from the many incredible inventions that came out of its lab. In Gladwell's article, he makes the distinction between the inventions created at PARC and the adaptations of those inventions by Steve Jobs and his team at Apple. The mouse that the PARC engineers designed cost \$300 to build and would only work for two weeks of use. The mouse that Jobs contracted to design and eventually distribute with the Macintosh cost less than \$15 to build and was much more functional and durable for a typical user. This difference, Gladwell claims, is not trivial. "It is the difference between something intended for experts, which is what Xerox PARC had in mind, and something that's appropriate for a mass audience, which is what Apple had in mind." In other words, Xerox created a breakthrough sustaining innovation and Apple adapted and packaged that technology into a disruptive innovation.

Gladwell concluded that although PARC was a great place to research and design cutting-edge innovations, it was indeed a bad place to commercialize them. "For an actual product, you need threat and constraint — and the improvisation and creativity necessary to turn a gold-plated three-hundred-dollar mouse into something that works on Formica and costs fifteen dollars."

In his case study, Rogers lists the following reasons that Xerox ultimately failed to take the final step of commercializing the technologies developed at PARC: (Adapted from the book *Fumbling the Future* by Douglas Smith and Robert Alexander.)

- i. Xerox was the leading company in the paper copier business, and it **perceived itself as only in the office copier business**, not in the personal computer business. In Gladwell's words, "Xerox was a multinational corporation, with shareholders, a huge sales force, and a vast corporate customer base, and it needed to consider every new idea within the context of what it already had." This is why one of the only innovations it did end up using was the laser printer.
- ii. No effective mechanisms were created for technology transfer from Xerox PARC to the manufacturing and marketing/sales divisions of Xerox.
- iii. The button-down organizational culture at Xerox's Stamford, Connecticut headquarters clashed with PARC's freewheeling hippie culture. This is another classic case of the innovator's dilemma for big corporations. Clayton Christensen names the following attributes as their downfall: (1) Current customers aren't served by new market; (2) New market is too small for large companies; (3) Use of new technology isn't fully known yet; (4) Processes that help them with current business hurt them with new business; (5) New technology isn't good enough yet to meet higher-end market demand.

Almost all of these attributes can be applied to Xerox and their PARC subsidiary. PARC, in essence, had too much resources at its disposal. Apple was serving a different customer base and was very nimble. They had no choice but to deliver a ship-ready product that they can make a profit on under their current cost structure. Xerox was devoted to their current money-makers and had little incentive to focus on the small, untested personal computer market. "Maybe the only lesson of the legend of Xerox PARC," concludes Gladwell, "is that what happened there happens, in one way or another, everywhere."



3.1. CULTURAL FAILURE PARKER

PENS IN MEXICO

Parker Pens alarmed its Mexican market with ads intended to read 'It won't leak in your pocket and embarrass you' but in fact, the ad stated 'It won't leak in your pocket and impregnate you.' The company had managed to confuse the word 'embarrass' with the Spanish verb 'embrazar' or 'to impregnate'.



KENTUCKY FRIED CHICKEN IN HONG KONG



KFC's 'finger lickin' good' slogan is used the world over to highlight the tastiness of the product. However, when the phrase was translated into Chinese for the Hong Kong market, it came out as 'eat your fingers off'.

Needless to say, most customers opted for the fries instead.

STARBUCKS (CHINA)

Starbucks failed in China. It didn't acknowledge the consumer culture in China. They are a tea drinking community. Not a Coffee!

Finding a competitive advantage in a new country means understanding what will appeal to its own unique consumer culture. Take Starbucks, for instance. In order to expand into China, a nation of tea drinkers steeped in ceremony and custom, the company had to offer more than just coffee.

INTERNATIONAL COFFEE CONSUMPTION (per Capita)



Its specialty drinks — which, like the black sesame green-tea Frappuccino, are loosely related to coffee — are 10 to 20 per cent more expensive than in North America. This makes up for the fact that customer volume is lower but also gives the brand an air of affluence. For China's up-and-coming middle class, a visit to Starbucks is an accessible luxury. In 2012 and 2013, Starbucks opened 500 new locations in China, slightly more than were established during the chain's first 12 years in the country; it is on track to open another 500 in the next year, which will make China Starbucks' second largest market, surpassing Canada.

3.5 Public Relation (PR) Failure

DOMINO'S (YouTube scandal - 2009)

In April, corporate America learned that powerful social media, so often touted for its marketing possibilities, can also be used for evil. When two Domino's Pizza employees posted videos of themselves doing disgusting things to food that they were getting ready to send out (let's just say you'll never want to order a Domino's Italian sandwich again,) the results were catastrophic. Domino's waited two days to



respond, and in the meantime nearly one million people viewed the videos on YouTube. Simultaneously, the blogs and Twitter were ablaze with discussion of the incident.

The pizza company soon fired the two employees and issued an apology (via YouTube video,) but the damage was already done. According to the New York Times, consumer perception of the brand had turned negative within hours, and online forums continued to discuss the videos, which were cut, re-worked, and re-posted hundreds of times, long past the apology.

KURL-ON

Malala shot for mattress ad campaign

When advertising agency Ogilvy created a cartoon of Malala Yousafzai for a mattress advertising campaign they quite figuratively shot themselves in the foot.



The poster campaign showed the young school girl being shot in the face by the Taliban, falling onto the mattress and then returning to health under the slogan “bounce back”.

Ogilvy’s press spokesman apologized to Yousafzai and her family.

“The recent Kurl-On ads from our India office are contrary to the beliefs and professional standards of Ogilvy & Mather and our clients. We deeply regret this incident and want to personally apologize to Malala Yousafzai and her family.” (The Guardian)

3.6 Rebranding Failure

TOMMY HILFIGER

The power of the logo

Tommy Hilfiger is one of the world's best-loved designer clothing brands. During the 1990s Tommy Hilfiger moved from being a small, niche brand targeting upper class US consumers to becoming a global powerhouse with broad youth appeal. But then, in 2000, the brand was suddenly in trouble. From a high of US \$40 per share in May 1999, Tommy Hilfiger's share price fell to US \$22.62 on New Year's Day 2000, and was cut in half again by the end of that year. Sales were slowing and, most tellingly, flagship stores in London and Beverly Hills closed down. Various runway shows at fashion events worldwide were also cancelled.



So what was going wrong? According to Tommy Hilfiger himself, the explanation is to be found in his decision to be adventurous with the brand. He said in a 2001 interview with New York magazine: At one point, I told my people, 'We have to be the first with trends', so we ran out and tried to do the coolest, most advanced clothes. We didn't just do denim embroidery. We jewelled it. We studded it. We really pushed the envelope because we thought our customer would respond. But the customer did not respond in a big way, and our business last year – men's, women's, junior's – suffered as a result. Part of this 'pushing the envelope' strategy involved reworking the brand's famous imagery. Tommy Hilfiger, more than any other brand in the fashion industry, is a brand based on a logo. Indeed, some of the company's most successful products have been T-shirts with the red- white-and-blue logo emblazoned across them. Everything about the logo, from the primary colours to the capital letters shouting TOMMY HILFIGER, suggested a

bold, brash and 100 per cent US identity. When you wore a Tommy Hilfiger T- shirt everybody knew exactly what you were wearing, so long as they could read. Of course, these logo-centric US brand values had been present in other fashion labels – most obviously Calvin Klein and Ralph Lauren – but Tommy Hilfiger had taken it a step further. And by 1999, Hilfiger himself was starting to feel it may have been a step too far. ‘When business plateaued in 1999,’

he explained, ‘we thought the customer didn’t want the Tommy logo anymore. So we took it off a lot of stuff. We made it tiny. We became very insecure about being a red-white-and-blue logo brand. We thought we had to be much chic-er, more in line with the Euro houses like Gucci and Prada.’ In other words, Tommy Hilfiger abandoned the values that had built the brand. Of course, the brand had in many senses become credible in high fashion circles but this credibility arrived, in part at least, by the brand’s urban appeal. In *No Logo* (written before Tommy Hilfiger’s dip in fortunes), Naomi Klein explored the twin identity of the Tommy brand: ‘Tommy Hilfiger, even more than Nike or Adidas, has turned the harnessing of ghetto cool into a mass-marketing science. Hilfiger forged a formula that has since been imitated by Polo, Nautica, Munsingwear and several other clothing companies looking for a short cut to making it at the suburban mall with innercity attitude.’ However, this twin identity (suburbia meets the inner-city) happened initially by accident. In the beginning, Tommy Hilfiger produced clothes for the ‘preppy’ market, falling somewhere between the Gap and Ralph Lauren. Pretty soon though, the hip-hop community embraced the label, and the Hilfiger logo could be seen popping up on every other rap video. It was only later that Hilfiger deliberately designed clothes for this market. In effect, this meant accentuating what was already there – making the prominent logo even more prominent, and the baggy T-shirts even baggier. This strategy proved successful because the company was only exaggerating a formula that was already there. In 1999 though, the formula was abandoned completely, and, because of this, it strayed from the original preppy style that had made the brand so strong originally. For instance, Hilfiger launched a ‘Red Label’ sub-brand aimed at the very top of the market. This logoless range included such garments as US \$7,000 patchwork, python-skin trousers. Clearly these items were out of the reach of the average Tommy Hilfiger customer. Another bad move was the decision to place stores in locations such as London’s Bond Street and Beverly Hills’ Rodeo Drive. ‘The London flagship store

wasn't open for a year when we realized we had made a mistake,' he said in the New York magazine interview. 'And the average age on Rodeo Drive is probably 50 years old. My customers are much younger than that. We thought all the cool people in LA come to Rodeo. But they don't.' Since 2001 though, Tommy Hilfiger has been learning from his mistakes and going back to basics. 'As a result of learning from our errors, we went back to our roots: classics with a twist. We're about colour, we're about preppy, we're about classic, we're about America!' And as a result of this turnaround, customers and investors alike are again comfortable with the Tommy Hilfiger brand. 'It will never again be the hot, sexy, overly talked about, flashy, zippy, fast-growing company it was, but it will be a damn nice company with lots of cash,' observed one Wall Street analyst at the time of the turnaround. 'What you've got now is a company that went from an A plus to an F- minus. And now it's going back to a B. And it's a hell of a business as a B.'

Lessons from Tommy Hilfiger

- *Don't deviate from your formula.*

Known as the brand which produce 'classic with a twist', Hilfiger concentrated too much on the 'twist' and not enough on the 'classic'.

- *Don't compete with irrelevant rivals.*

Tommy Hilfiger attempting to compete with successful European high fashion brands such as Gucci and Prada on their own terms was a mistake which even Hilfiger himself has acknowledged.

- *Don't over-extend the brand.*

During its bad patch, Tommy Hilfiger moved into a lot of new product categories for which it wasn't suited.

- *Don't be scared of your logo.*

The logo is what made Tommy Hilfiger the brand it is today. In fact, the Tommy Hilfiger brand is pure logo. When the logo disappeared or was toned down, the brand ran into trouble.

GAP



Gap used the same logo for longer than most graphic designers have been alive, so the decision to try out a new one was at least understandable. What is not understandable is their urge to replace their iconic stretchy serifs with Helvetica and a little gradient box capable of pleasing nobody. And wait, it cost how much?

The outcry on their surprise unveiling of this new logo was so bad that they had to return to the original after just one week. Lesson learned: If your current look works, a redesign should enhance it or put a new spin on it, not turn it into a tasteless mush.

3.7 Internet and Technology Failure

GOOGLE GLASS

Google Glass was initially introduced in 2012. As Regalado explains the concept involved computerized glasses that allowed the user to access maps and emails and take videos and pictures of what they are looking at. The cost of a pair of Google glasses was \$1,500. Unfortunately, the project was not a success. In fact, as many developers stopped working on apps for the product. It was found to be not particularly useful, and also users reported that those around them felt quite disturbed by people wearing Google Glass.



AMAZON FIRE PHONE

Amazon launched a phone the year 2014 but it ended up being a flop and according to Business Insider, Amazon took a 170 million USD charge on unsold phones. The phone is not original at all original, and it costs the same as an iPhone, without its benefits. Besides that its unique features: 3D display and a system to scan products in stores didn't triggered the interest of the public. Amazon says it will continue to invest and develop the product.

3.2 Tired Brands

KODAK

Failing to stay ahead

Kodak

Can a brand become too successful? The short answer, of course, is no it cannot. Is it possible to conceive that the success and popularity of a brand such as Coca Cola or McDonald's could become a weakness? Surely not. And yet, the strongest brands are also those which are the most tied down. Consumers know what they want from Coca-Cola (cola) and McDonald's (fast food) and they don't want anything different. If McDonald's wanted to set up a vegetarian, high class restaurant, it would need to change its brand name in order to attract customers. Coca-Cola has learnt this lesson from real experience. When it launched a range of Coca-Cola clothes, sales were far lower than had been expected. The trouble was, although Coca-Cola is an internationally adored brand, people don't want to *wear* it, they'd prefer to *drink* it.

So to ask the question again, can a brand become too successful? No, providing the brand stays within the same product category. If a brand becomes globally associated with one type of product, it is almost impossible to change the consumer's perception. After all, brands are *names*. If two people have exactly the same name it can become confusing, and so it is with products. But what if the product category itself changes, regardless of the brand's will? This situation may never have affected Coca-Cola or McDonald's, as there will always be demand for cola and fast food, but it has affected others, most notably Kodak.

Perhaps no market in the world is currently changing with more speed than photography. More and more consumers are trading their standard photographic cameras for digital alternatives. Many experts have predicted that it is only a matter of time before the entire camera market goes digital. Kodak, however, is a name intrinsically associated with conventional photographs. When most people think Kodak, they think little yellow boxes of film. They don't think cutting-edge digital technology. According to Harvard Business School professor John Kotler,

the market shift towards digital photography constitutes 'a howling, horrifically difficult challenge' for the brand. 'For a century Kodak had too much success and too much market share. It was as bad as IBM at its worst.'

How has Kodak responded to this challenge? It entered the digital arena in 1995 with the creation of the Kodak Digital Science brand. However, the following year saw the company invest heavily in conventional photography with the development of the Advanced Photo System (branded as the Kodak Advantix system). This new system offered various advantages for the consumer, including a choice of three print formats. However, the development of the Advantix cameras and films was extremely expensive for Kodak. Between 1996 and 1998 the company invested US \$200 million in the system, only to discover it had distribution problems. Not enough retailers were interested in stocking the cameras and films, and there were not enough places where the Advantix films could get processed.

Some brand commentators, including Al Ries and Jack Trout, have questioned the logic behind the decision to invest so heavily in conventional photography – albeit *advanced* conventional photography – at a time when the market was starting to head towards digital photography. 'Wouldn't it be better to let the old system die a natural death and use the money to build a new digital brand?' Ries asks, rhetorically, in *The 22 Immutable Laws of Branding*.

Kodak stuck with Advantix though, and its persistence paid off, at least in the short term. By 1997 its Advantix product range accounted for 20 per cent of all Kodak sales. However, it looks unlikely that Advantix will be enough to stop photography customers 'going digital'. And the investment in the Advantix system has only served to reaffirm the association with conventional photography. Even now, too few consumers are familiar with the Kodak Digital Science brand. As Des Dearlove and Stuart Crainer explain in *The Ultimate Book of Business Brands*, the company needs to change its competitive strategy if the brand is to survive in the long term: 'Today, Kodak is competing not just with arch rival Fuji but with hungry Silicon Valley predators in search of a share of the emerging digital-photo market. The challenge facing the company is to transform itself into a high-performing organization, capable of holding its own with the likes of Canon and Microsoft'. However, the Kodak brand has been tied with conventional photographic film since it was introduced in 1885, and the reputation will be hard to change. Furthermore, numerous other photography brands have a broader, more

digital friendly reputation. Not only Canon, but Minolta, Sharp, Sony, Casio and many more. Furthermore, every time a technology makes a major advance, entirely new brands emerge on the scene. When the home computing market exploded, along came Apple. When mobile phone technology took off, along came Orange. Kodak itself was once a pioneering new brand for a pioneering new technology, famously promoted with the slogan 'You push the button – we do the rest'. Now though, the brand name carries with it over a century's worth of brand perceptions which are out of sync with the digital era. The question Kodak executives will resist, but ultimately may have to face, is whether it is time to push the button on the brand itself. Opinions from the marketing experts are divided. Dearlove and Crainer believe its former successes will be enough to carry the brand through claiming, 'the Kodak brand is likely to survive in one form or another – it is too valuable to be allowed to die.' Ries, on the other hand, believes Kodak doesn't stand a chance: 'The Kodak brand has no power beyond the realm of conventional photography.' If Kodak is to stand a fighting chance it needs to make some tough and potentially risky decisions. It will find it increasingly hard to keep one foot in conventional photography and the other in digital. After all brands are built on 'either/or' rather than 'both/and' policies. As branding is a process of differentiation, Kodak must still preserve a unique identity in order to stand out from its competitors. At the same time, it must be able to form a brand image that is as cutting-edge as the technology it is starting to promote. This is by no means impossible. After all, providing photography survives in some form Kodak will have a fighting chance. Its strategic partnership with AOL for its 'You've got Pictures' service was certainly a move in the right direction. It will, however, mean making some tough and difficult decisions. Among these will be the most difficult decision a brand ever had to make: should it divorce itself from its own heritage? Although difficult, it is better that this decision is made by the brand on its own accord, rather than forced upon it at a later date by the state of the market. Whether it will be possible is another question entirely, and only time will tell. Ultimately, Kodak may be forced to create a new brand altogether.

Lessons from Kodak

- *Markets do not stay static.*

Markets are always in a constant state of flux, especially those which are based around technology.

- *Brands have a lifespan.*

The Kodak brand has been around since the 1880s making it one of the oldest technology brands in existence. Now, the brand may be reaching the end. 'There is a time to invest in a brand and there is time to harvest a brand,' says Ries. 'And, ultimately, there is a time to put the brand to sleep.'

- *Success is a double-edged sword.*

The more successful a brand becomes within one market, the more difficult it becomes for the brand to adapt when that market changes.

LEVI'S

Below the comfort zone

Levi's is, without doubt, a classic brand. Originally produced by a Bavarian immigrant in the dying years of the battle for the American West, Levi's jeans now have an iconic significance across the globe. Indeed, in many ways Levi's have come to define the very essence of the word 'brand' better than any other product. As advertising journalist Bob Garfield has written 'in literal terms, it's damn near the only true brand out there, burned into a

thong of leather and stitched to the waistband.' In its September 2002 edition, the UK version of Esquire magazine heralded Levi's as the ultimate clothing brand and a staple to the worldwide wardrobe: The secret behind the enduring magic and success of Levi's has been its ability to symbolise both ubiquity and uniqueness simultaneously. No other brand has managed to become part of the system (part of the President's wardrobe, even) while retaining a defining element of rebellion, revolution and counter-culture. Levi's are both fashion and anti-fashion. Just try to name someone you know who doesn't own at least one pair. However, despite its continued ubiquity the



Levi's brand has had a rocky ride in recent times, having watched sales slip from US \$7.9 billion in 1996 to US \$4.3 billion in 2001. As with most brand crises, the problems for Levi's have been numerous. To understand them fully, it is necessary to appreciate the company's branding strategy. Levi's CEO Robert Haas told *The Financial Times* in 1998 (ironically one of the most uncomfortable of years for the brand): "We are in the comfort business. I don't just mean physical comfort. I mean we are providing psychological comfort – the feeling of security that, when you enter a room of strangers or even work colleagues, you are attired within the brand of acceptability. Although what a consumer defines as psychological comfort may vary from sub-segment to sub-segment." The key phrase here is that last one, 'from sub-segment to sub-segment'. In its attempts to be sensitive to the various fluctuations of taste among the denim-wearing public, Levi's has diversified its brand by creating a wide range of jean styles. Most significantly, it has branched out beyond its traditional 'red label' jeans and introduced a new sub-brand called 'Silvertab'. The company has also produced a cheaper range of jeans with orange tags. Furthermore, the advertising campaign used to promote the Silvertab range in 2001 was among the most hated in recent history. *Ad Age* called the campaign 'insulting' and claimed it 'lacked branding'. Similarly, in 2002 the ads to promote Levi's low-rise jeans achieved an equally negative reception among certain critics. However, not all the problems have been of Levi's making. For instance, it could do little to curb the rise of designer jeans such as those produced by Calvin Klein, Diesel and Tommy Hilfger. All Levi's could do in the face of such a competition was to try and preserve the integrity of its brand. Even here, the brand ran into difficulty. In the UK, the start of the new millennium saw Levi's become engaged in a very public battle with Tesco's supermarket. Tesco's claimed that consumers were paying too much for their Levi's and the supermarket wanted to sell Levi's in its own stores with a narrower profit margin. Levi's refused to sell its premium jeans, such as 501s, via the supermarket, and went to court to stop imports from outside Europe. 'Our brand is our most important asset,' explained Joe Middleton, Levi's European president. 'It's more valuable than all the other assets on our balance sheet. It's more valuable than our factories, our buildings, our warehouses and our inventory. We must have the right to control the destiny of that brand.' Even the UK government joined in, attempting to persuade the European Union to allow supermarkets like Tesco's to import goods from anywhere in the world. However, Levi's insisted that Tesco's was missing the point, confusing the cost of making the jeans with the cost of marketing them. 'The important point,' said Middleton,

'is that all these costs are an investment in the brand. The true cost of making this jean is not just the factory element. It's much more than that.' The UK government, keen to eradicate the image of 'Rip-off Britain' has remained on the

supermarket's side, and it looks like Levi's will eventually lose the battle.



Despite all these unfortunate external factors, there is no escaping the fact that the real threat to the Levi's brand is generated from Levi's itself. Now that it is locked in an endless quest to appear 'innovative' and 'youthful', by launching a growing number of new styles, Levi's is now proving the law of diminishing returns. The marketing expense continues to grow, while the true brand value

has been articulated by Kurt Barnard, publisher of Barnard's Retail Trend Report, in The Financial Times in 2001. 'Levi's is basically a troubled company,' he said. 'Although their name is hallowed in American history, few people these days wear Levi's jeans.' In 2000, the company failed to make the top 75 global brands by value according to the Interbrand 2000 Brand Valuation Survey. The inclusion of rival brands such as Gap and Benetton only served to rub more salt in Levi's wounds. So what is the solution? Most branding experts now agree that if Levi's is going to regain the market position it held in the 1980s and early 1990s it will need to slim down and narrow its focus. Consumers are no longer sure what the Levi's brand stands for. Denim, yes. But what type? Straight-cut, loose fit, low rise, twisted, classic, contemporary. You name it, Levi's covers it. It therefore needs to cure itself of what could reasonably be called 'Miller syndrome'. Just as Miller decided to be all beers to all people, Levi's is doing the same with jeans. But this does not mean that Levi's should stop launching new styles, just that it shouldn't do so under the Levi's name.

Indeed, one of the company's biggest successes in recent times came when it created an entirely new identity in the form of the Dockers brand, launched in 1986. For the Levi's brand itself, the solution, as with so many other troubled brands, may involve a recovery of its original values. Indeed, there are signs that this is already happening. In 2001, the company paid out US \$46,532 for the oldest pair of the Levi's blue jeans in existence, named the Nevada Jeans, when they were advertised on eBay. A few months later the company launched a limited edition of 500 replicas, which were sold almost as soon as they appeared in special Levi's concept stores. Only time will tell if this Vintage collection turns out to be a symbolic gesture of the brand's new direction.

Lessons from Levi's

- *Intensify, don't multiply.*

Instead of accentuating its core brand values, Levi's has confused jeans buyers with an apparently limitless array of different styles. As brand expert Al Ries has put it: 'In the long term, expanding your brand will diminish your power and weaken your image.'

- *Focus on your strengths.*

If Levi's stands for anything it stands for 'the original jean'. In order to fully recover it will need to consolidate and strengthen this identity.

- *Don't look down on your original brand.*

When Levi's launched the Silvertab range it fell into the same trap as Coca-Cola when they launched New Coke. As branding expert and journalist Ian Cocoran has pointed out, 'Levi's now seems to have a real problem in convincing the consumer that ownership of the previously indomitable red label still represents sufficient kudos to command exclusivity.'

Chapter 4: Present Day

By the time you see an ad from a retailer, restaurant, or consumer brand, it has been looked over and picked at by countless people at an ad agency and the company's internal marketing team. The same goes for a piece of merchandise. Products can't escape the scrutiny of a big team of buyers, merchandisers, and, of course, store workers.

So it's baffling how often major companies trying to be hip or funny put out an ad or sell a product only to find out it is offensive to countless prospective customers. This past year has been chock full of cringe-worthy gaffes by retailers and restaurants that had them scrambling to apologize and contain the PR damage. Some of them seemed to make light of the Holocaust, while others were interpreted as encouraging rape.

Here is a look back at some of the big marketing and merchandising misfires by top retailers in 2015, in no particular order.

Let these disasters serve as lessons as big brands head into 2021.

1. Walmart bakes an ISIS cake



A Walmart worker in Slidell, La., in June baked a cake with the ISIS flag on it, amazingly unaware it was the banner of the murderous extremist group that has taken over large swathes of Syria and Iraq. Turns out the cake was linked to another controversy surrounding Walmart last summer: its decision to stop selling any merchandise with the Confederate flag on it. The Walmart customer in Slidell was angry when the store rejected his request for a cake with the Confederate flag, so he tested the retailer by requesting one with the ISIS cake. The retailer later apologized for the ISIS cake.

Lesson learned : Avoid everything that could have any controversy or sensitive response linked

2. McDonald's runs ads invoking 9/11 and Boston bombings



Mike Polk Jr.
@mikepolkjr



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The McDonalds commercial that wants us to thank them for changing their signs during national tragedies is more tasteless than the McRib.

RETWEETS
77

LIKES
87



8:55 PM · 11 Jan 2015



Seeking to insert some gravitas to its ads, McDonald's in January 2016 launched a campaign that featured messages on McDonald's billboards across the U.S. over the decades. The messages varied from birth announcements to "We Remember 9/11" to "Boston Strong," all with the burger chain's trademark golden arches above them. Many objected to the campaign, accusing McDonald's of trying to capitalize on tragedy. The company said it was trying to have "deeper" conversations with customers.

Lesson learned : Avoid everything that could have any controversy or sensitive response linked. If you want to connect to audience emotionally, find a better way.

3. Volkswagen's emission scandal



Das Emissions.

Actually It would not be called a marketing failure. It's more like business logic + PR failure. But knowing that it will affect Volkswagen's future dramatically, it's added it to this list. For those who don't know the story, here's the short summary.

The Environmental Protection Agency (EPA) found that many Volkswagen cars being sold in America had devices in diesel engines that could detect when they were being tested, changing the performance accordingly to improve results. Volkswagen's software ensures that cars meet emissions standards in the laboratory or testing station, but during normal operation they emit nitrogen oxides, or NOx, at up to 40 times the standard, the EPA says.

What's next? The U.S. government could fine VW \$37,500 per vehicle for the violations, a total of more than \$18 billion. The U.S. Justice Department, the California Air Resources Board and German authorities are also investigating. In other words - a LOT of problems for Volkswagen.

Lesson learned : Do your Product testing, make sure the 'P - Product' of marketing mix is fine.

4. Coca-Cola doesn't get Russian geography



As seasoned professionals at the top of the marketing game, you might think that Coca-Cola would have a team of people ready to make sure everything the brand sends out is spotless. But somehow, this Russian ad slipped through their fingers.

To outsiders, it may look just like a snow-covered map of Russia. To Russians, it's clearly missing Kaliningrad, a city annexed after the end of World War II.

The outrage sparked a #BanCocaCola hashtag on social media, which was often accompanied by pictures of users pouring their cans of Coke into the toilet.

*Lesson learned : Unless you're prepared with good general knowledge, don't play it on a large scale.
A mistake in a map can cause you damage.*

5. Coca-Cola Tweets Hitler Art

Coca-Cola was simply trying to spread joy and cheer when they asked users to tag negative tweets with #MakeItHappy for their "Make It Happy" Super Bowl campaign. The hash tagged tweets

were pulled in by a generator that turned the tweets into cute ASCII art. It was so adorable.

That is until Gawker found the flaw in the system and decided to have some fun. Gawker created a bot tasked to tweet lines from Hitler's Mein Kampf with #MakeItHappy and sat back as the beverage giant turned Hitler's manifesto into cute puppies and palm trees. Coca-Cola was forced to pull the Twitter campaign and apologize for the rookie mistake.



Lesson learned: Don't set up a bot to control your surprise and delight campaigns. Especially when you ask followers to participate in a conversation.

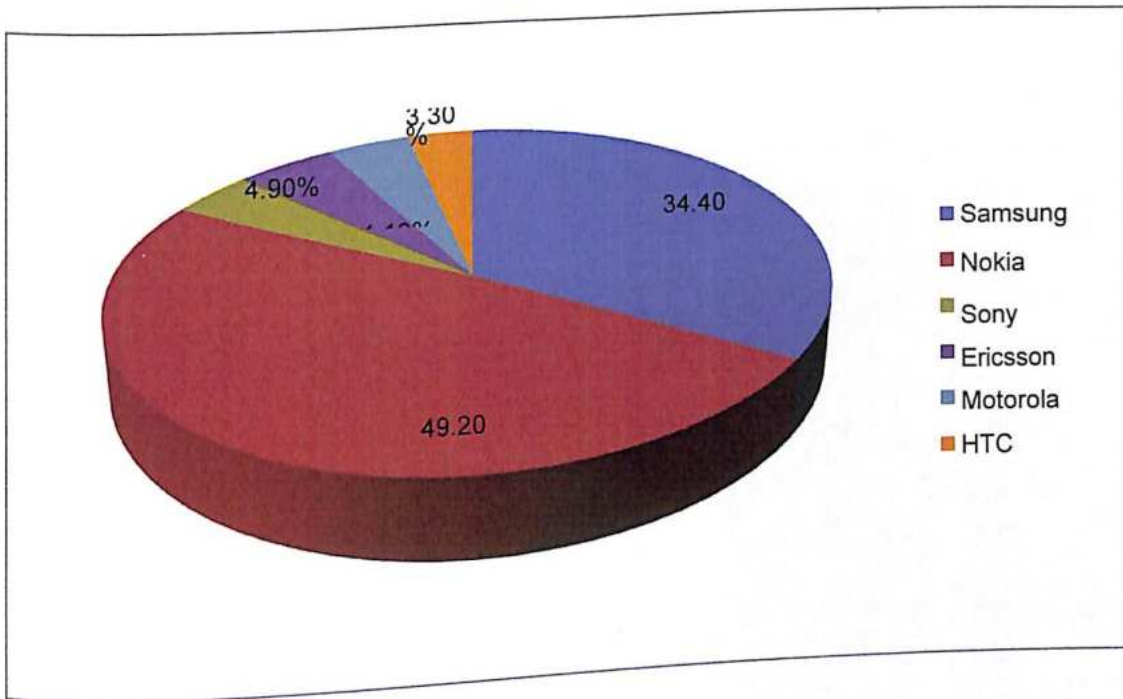
Chapter 5: Data Analysis and Interpretation

In order to understand why brands fail, Nokia was chosen. Nokia was chosen because it's a common knowledge. People weren't aware about the other brands failures covered in the research project.

The demographics studied under the research is as follows :

Age Group	18 - 25 Years (122 people)
Gender	Male (64 = 52.5% of 122) Female (58 = 47.5% of 122)
Occupation	Student (114 = 93.4% of 122) Working (8 = 6.6% of 122)

1. Which was your first mobile phone?

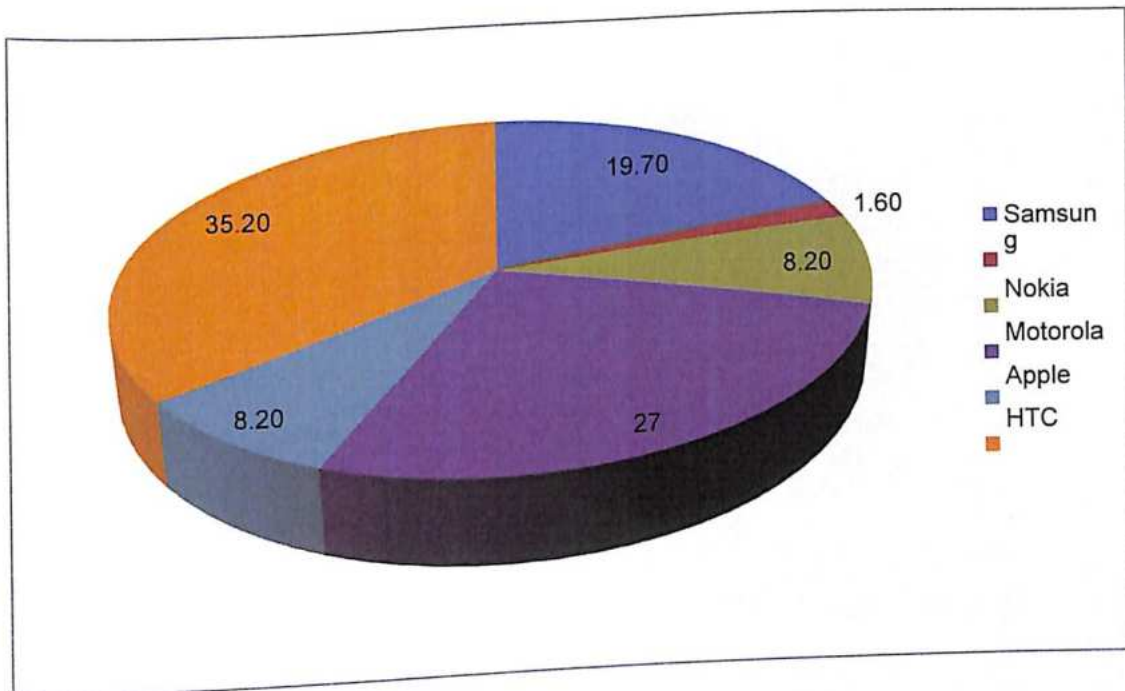


Out of the 122 respondents, **Nokia tops the list in the first mobile phone** with 49.2% people (that is, 60 out of 122 responses).

The second one being Samsung with 34.4% coverage (that is, 42 out of 122 responses). Rest all the mobile brands are in the sequence as follows :

Sony Ericsson (4.1% = 5 respondents out of 122 respondents), Motorola (4.9% = 6 respondents out of 122 respondents), HTC (4.1% = 5 respondents out of 122 respondents), Blackberry (3.3% = 4 respondents out of 122 respondents).

2. Which is your current mobile phone?



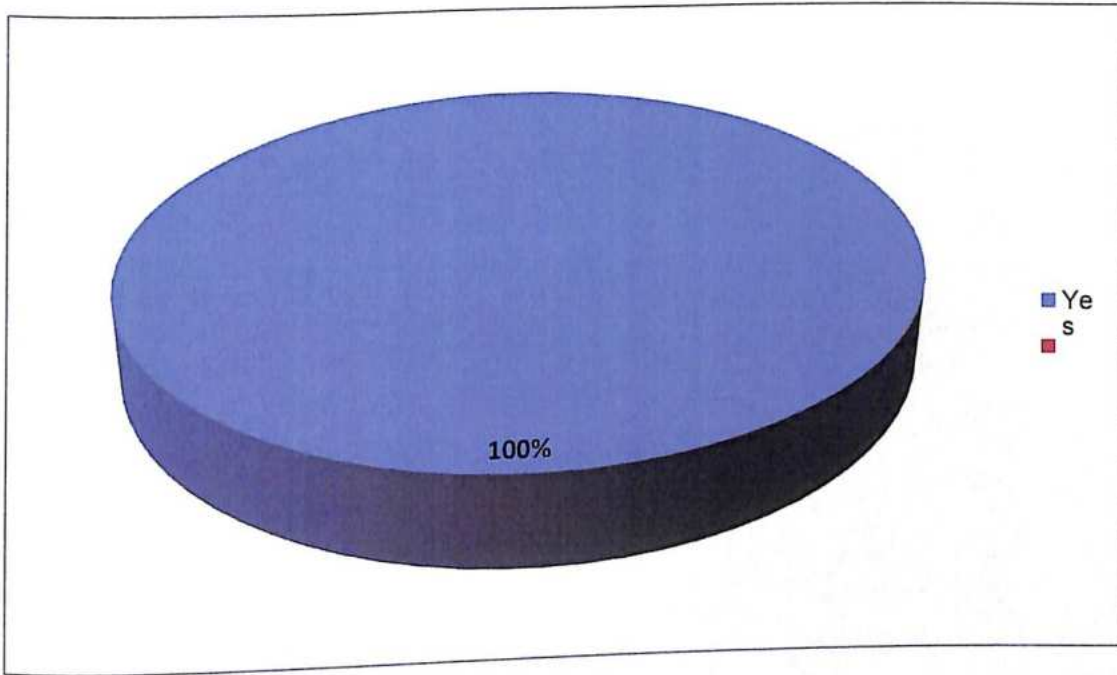
The surprising factor about people's current mobile phone is that the 'other' category has the **highest respondents** with 35.2% that is, 43 out of 122 responses. The other phones would include phones like OnePlus, LG, Nexus5, Mi note 3, etc.

Here, Apple and Samsung has tough competition, more visibility in the market, where Apple has 27% coverage (33 respondents out of 122 respondents) and Samsung with 19.7% coverage (24 respondents out of 122 respondents).

Similarly, Motorola and HTC has a competition with 10 respondents each and 8.2% each. Surprisingly, Out of 122 respondents, 2 said their current phone is Nokia which makes it to 1.6% of the total.

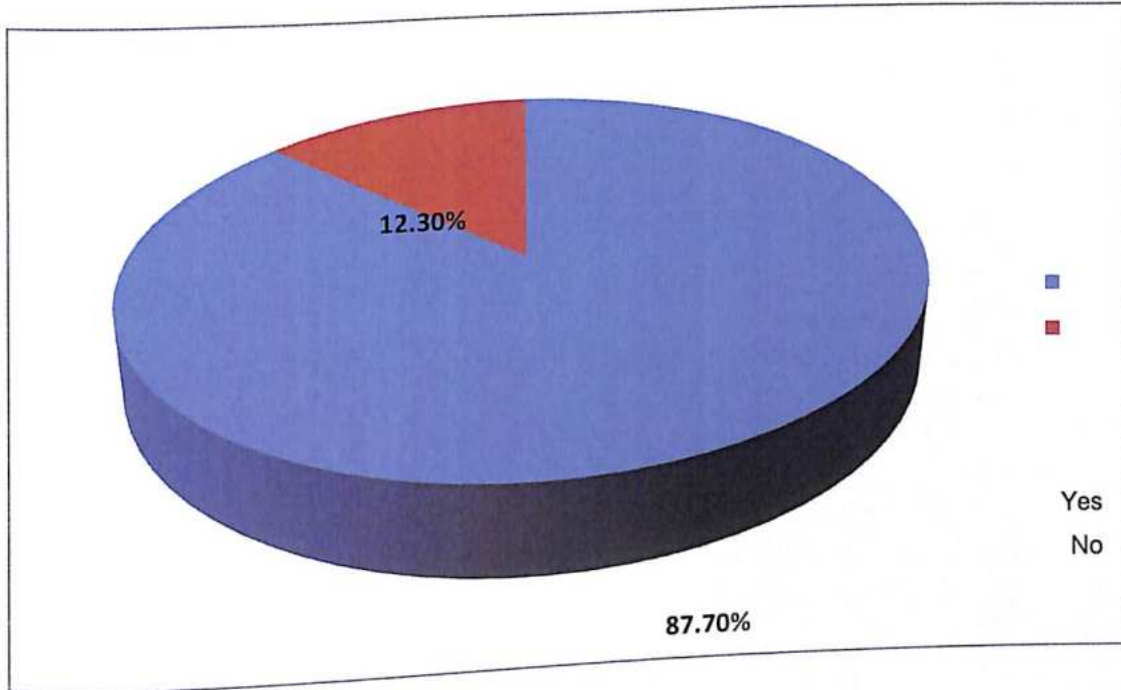
Hence, Nokia lost their magic and others took over.

3. Do you know the brand 'Nokia'?



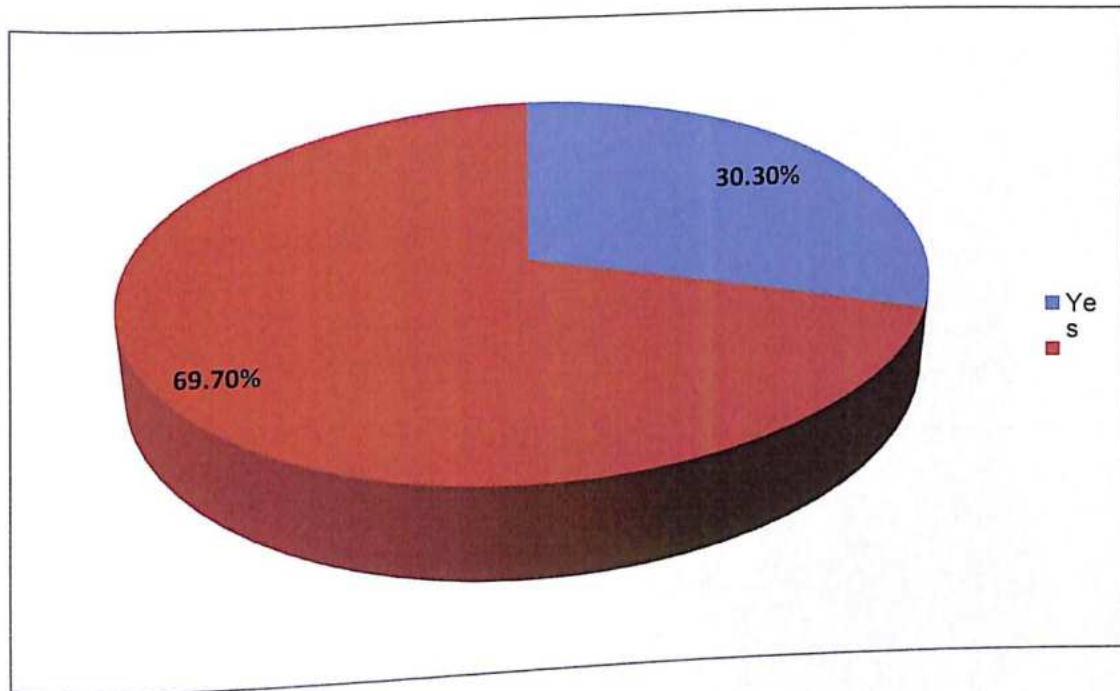
When asked a simple question such as knowing the brand Nokia, 122 respondents out of 122 respondents said YES, which is equal to 100% of the respondents.

4. Do you believe Nokia phones are economical?



Out of 122 respondents, 107 respondents said yes (87.7%) and 15 respondents said No (12.3%).
The majority think of Nokia as an economical phone.

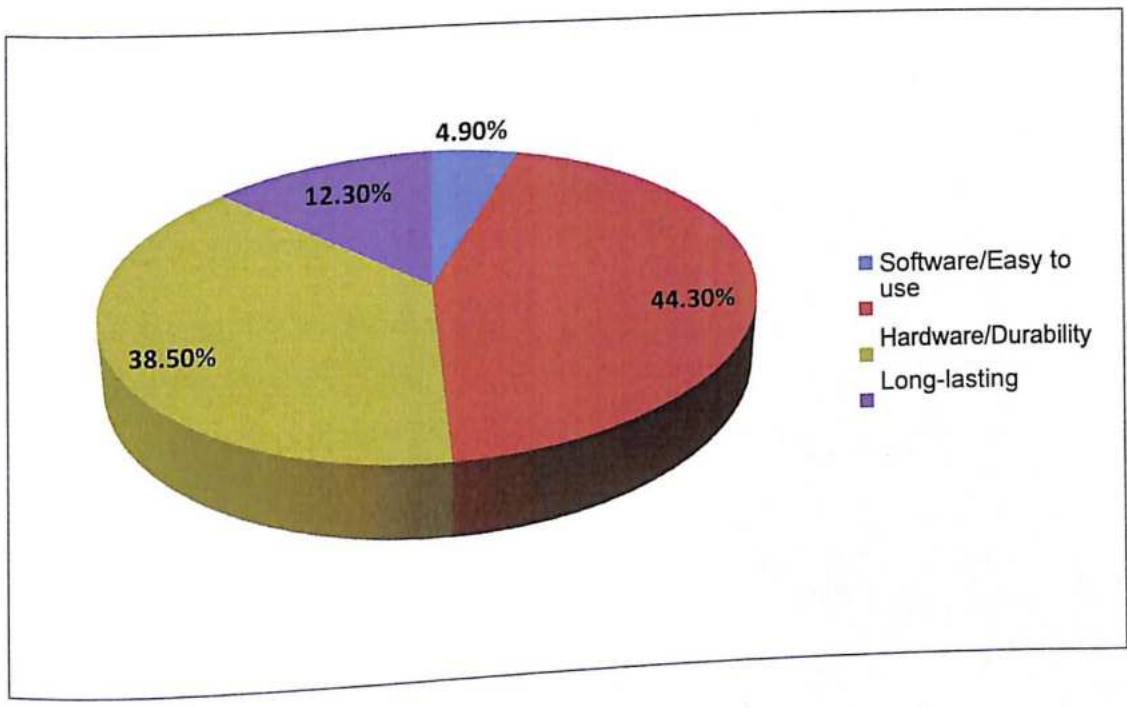
5. Do you think Nokia is an innovative mobile?



Out of 122 respondents, 69.7% that is, 85 respondents out of 122 respondents said No taking the lead on the saying that Nokia is not an innovative mobile. **We can interpret that Nokia was not an innovative phone.**

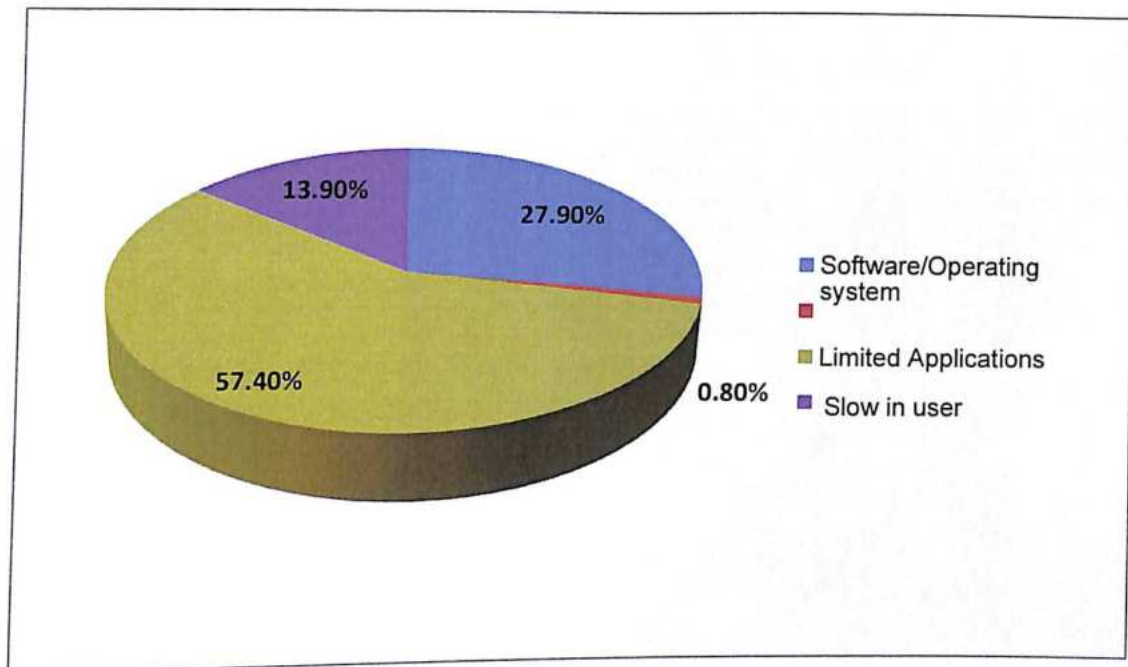
37 respondents (30.3%) think that Nokia is an innovative mobile.

6. What was the best thing about Nokia Phones?



The best thing about Nokia phones, according to 54 respondents (44.3%) is **Hardware/Durability**. The second one is Long-lasting battery which accounts to 38.5%, that is, 47 respondents out of 122 respondents. The third in the list is Value for money, for which 15 respondents (12.3%) opted for. The last one is Software/Easy to use which was chosen by 6 respondents (4.9%).

7. What was the worst thing about Nokia Phones?

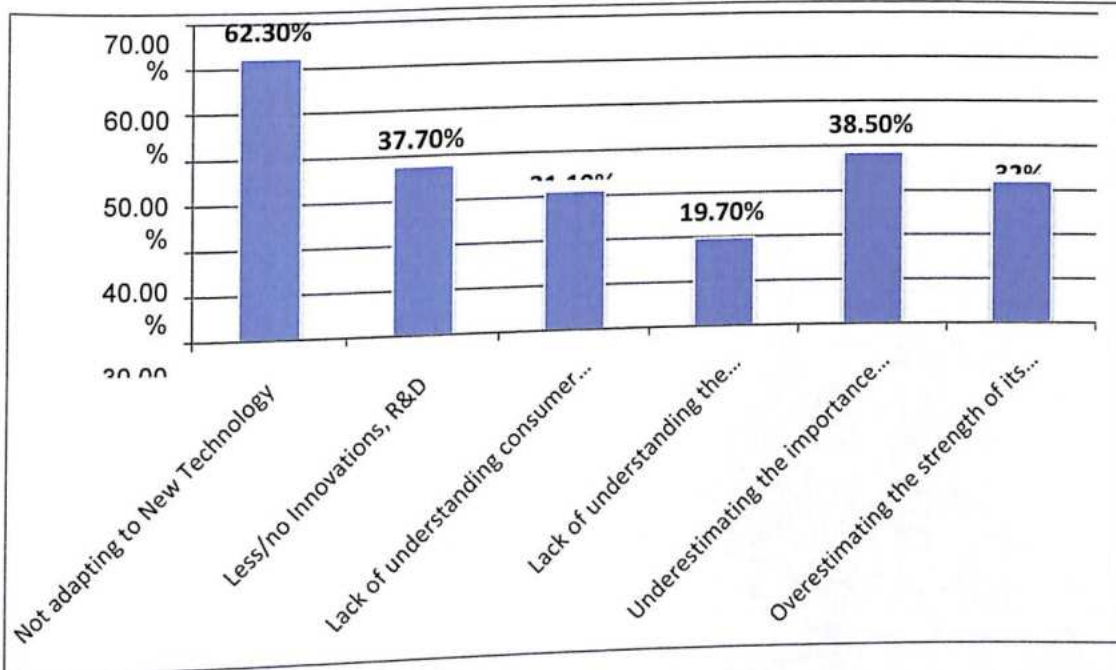


The worst thing about Nokia phones sees 'Limited Application' as the highest chosen option with 70 (57.4%) respondents out of 122 respondents. The second one is Software/Operating system which has 34 (27.9%) respondents out of 122 respondents.

17 (13.9%) respondents out of 122 respondents said 'Slow in user interface' was the worst thing about Nokia phones. And, the last one, Hardware, looks like it wasn't a big issue relatively because only 1 respondent out of 122 respondents chose it, which is barely 0.8%.

Limited application caused Nokia many threats and acted as a barrier.

8. Why, do you think, Nokia failed?

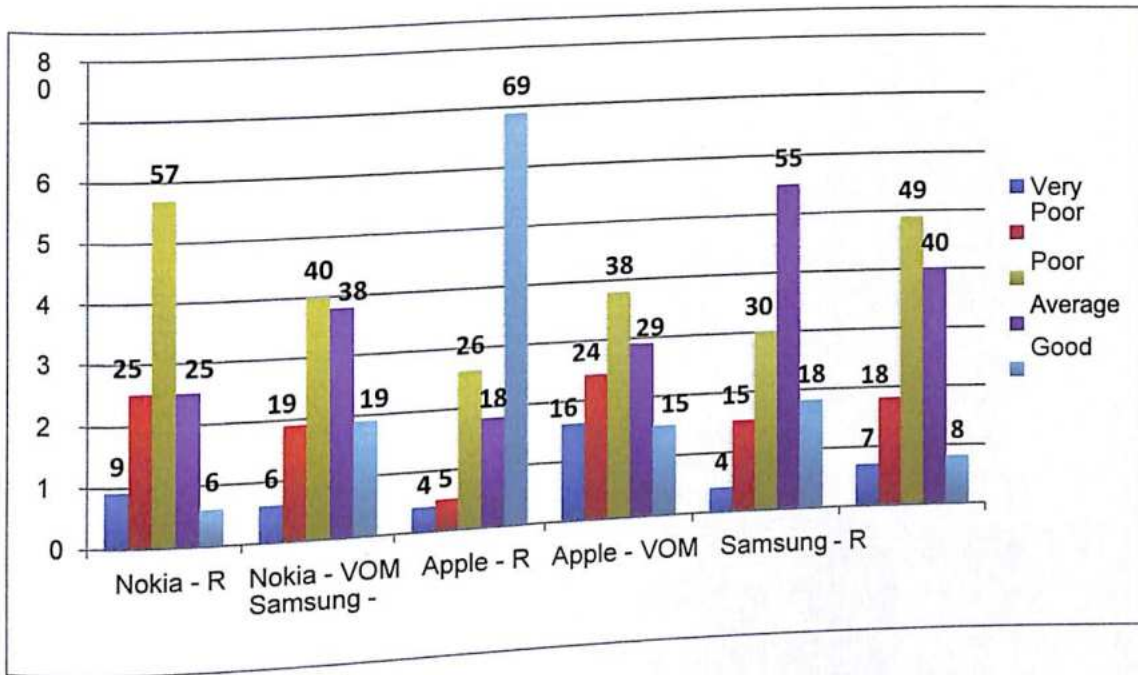


The options in the questions were : (No. of respondents & percent in the order) Not

- adapting to New Technology - 76 (62.3%)
- Less/no Innovations, R&D - 46 (37.7%)
- Lack of understanding consumer needs - 38 (31.1%)
- Lack of understanding the importance of software - 24 (19.7%)
- Underestimating the importance of the transition to Smartphone market - 47 (38.5%)
- Overestimating the strength of its brand - 39 (32%)

So, it is clear that **according to the 122 people surveyed, Not adapting to new technology was the highest contributing factor.** The second one in the line is, Underestimating the importance of the transition to Smartphone market as when Nokia failed, it was an era of Smartphone that had started because of Apple and Samsung. The least contributing factor according to the respondents was Lack of understanding the importance of software.

9. Rate the following companies on reputation and value for money. (1= very poor, 3= average, 5= Excellent)



(Here, R stands for Reputation. VOM stands for Value for money. Due to technical issue, short forms had to be used)

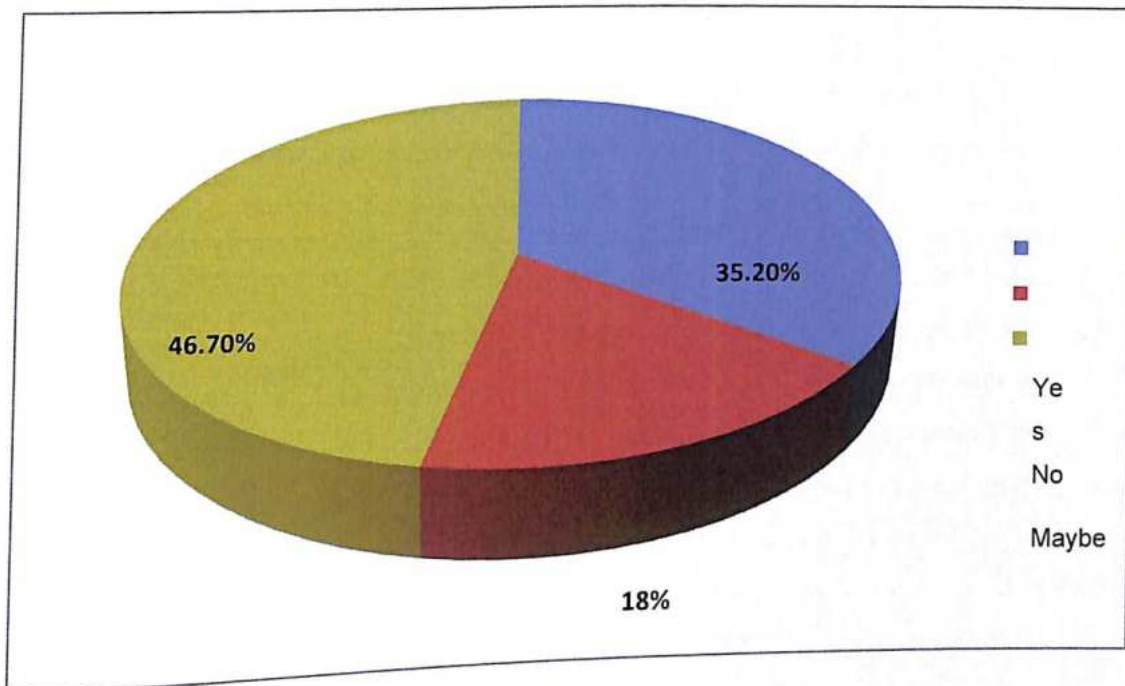
When the respondents were asked to rate the companies Nokia, Apple, Samsung based on 2 parameters such as reputation and value for money, the results were as follows : Nokia had Reputation on an average according to 57 respondents. The value for money is good according to 38 respondents but it's average according to 40 respondents.

Apple, on the other hand, had reputation more on the excellent criteria chosen by 69 respondents (it is the highest). Whereas, value for money was on average according to 38 people.

Samsung witnessed 55 respondents choosing 'good' for reputation. 49 respondents think that the value for money is average.

10. At present, will you still consider buying Nokia phone if it offers

- Android version
- Long lasting battery
- Durability
- Value for money
- Latest Technology?



This was interesting to know that 43 (35.2%) respondents out of 122 respondents said YES for considering buying Nokia phone if it offers Android version, long lasting, durability, value for money & latest technology. 57 (46.7%) respondents out of 122 respondents said MAYBE when it comes to consider buying such phone. Although, 22 (18%) respondents out of 122 respondents said No. So it can be concluded that these 22 respondents are out of this.

Nokia can still see some scope.

CHAPTER 6: RECOMMENDATIONS

Take a pot of water that's just above the freezing mark. Now, crank up the heat and wait. Temperature rises. Wait some more. Go all the way to 211 degrees Fahrenheit and nothing looks much different. But then, turn it up one more tiny degree, and wham! The pot becomes a roiling, steamy cauldron. Don't look now, but you're holding such a catalyst in your hands. The study is about to drive business to a full boil. Let me tell you how it took me to the tipping point.

People are now getting aware of the ups and downs of the business. Moreover, the reasons behind them too. They gather enough relevant information.

In case of the products covered in the study, the reasons for the failure were not discovered at the time it should have been discovered. Unfortunately, this is one of such times when they lose the market to their opponents.

Market research is important before taking any step into the market. R&D done should be properly translated into the product/service. Don't mix your messages. Sell the brand in the right place. Be the best in at least one thing. Don't price too high. Don't fuel your competitor's publicity. Test products in all conditions. Don't be scared of your logo. Don't over-extend the brand. Don't compete with irrelevant rivals. Don't deviate from your formula. Brands have a lifespan. Markets do not stay static. Intensify, don't multiply. Don't look down on your original brand. Focus on your strengths

This is like a basket of combined recommendations that can work wonders for most business.

Chapter 7: Conclusion

The study done so far in the context of brands and the special focus on why brands fail leads to many important conclusions.

In order to facilitate proper comprehension of the same, the points are illustrated as follows:

From the analysis of data, the following results and suggestions can be summed up

: Brands have great control on how they function except for the part where they mismanage the opportunities that come in their ways that they still don't work upon but it still needs attention without a second thought.

For instance, according to the survey conducted, Nokia was the highest used phone as people's first phone and then hardly anybody has it as their current phone.

Brands shouldn't overestimate their strength; the number 1 can vanish from their position if they overlook the transition of the market they operate in.

Also, the hypothesis formulated sees the conclusion as Nokia as a non-innovative brand.

There are good things and there are bad things, there are worst things and there are best things about a product but then it depends on the brand to work it out well with the components that contribute to the success or in other words, concentrate on avoiding failure.

The only thing that can prevent failure is 'Thinking'. The marketers need to think a lot before they play the game. Bad branding is a very big risk. It deserves an appropriate level of justice.

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ANNEXURE

1. Which was your first mobile phone?

Samsung

Nokia

Sony Ericsson

Motorola

Blackberry

HTC

2. Which is your current mobile phone?

Samsung

Nokia

Motorola

Apple

HTC

Other

3. Do you know the brand 'Nokia'?

Yes

No

4. Do you believe Nokia phones are economical?

Yes

No

5. Do you think Nokia is an innovative mobile?

Yes

No

6. What was the best thing about Nokia Phones?

Software/Easy to use

Hardware/Durability

Long-lasting Battery

Value for money

7. What was the worst thing about Nokia Phones?

Software/Operating system

Hardware

Limited Applications

Slow in user interface

8. Why, do you think, Nokia failed? (Tick wherever applicable)

- Not adapting to New Technology
- Less/no Innovations, R&D
- Lack of understanding consumer needs
- Lack of understanding the importance of software
- Underestimating the importance of the transition to Smartphone market
- Overestimating the strength of its brand

9. Rate the following companies on reputation and value for money. (1= very poor, 3= average, 5= Excellent)

	1 (Very poor)	2 (Poor)	3 (Average)	4 (Good)	5 (Excellent)
Nokia Reputation					
Nokia Value for money					
Apple Reputation					
Apple Value for money					
Samsung Reputation					
Samsung Value for					

Why Brands Fail

money					
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10. At present, will you still consider buying Nokia phone if it offers

- Android version
- Long lasting battery
- Durability
- Value for money
- Latest Technology?

Yes

No

Maybe