

Brand Rationalisation

Elixir 2002

17th October

Brand Rationalisation

The levels you can slice at

1. At a PORTFOLIO LEVEL
2. At a VARIANT LEVEL
3. At a PACK SIZE LEVEL
4. At a CROSS CATEGORY LEVEL

At a PORTFOLIO LEVEL

Look at various industries:

1. Oral Care

Colgate has two brands Colgate and Cibaca

HLL has two brands Pepsodent and Close
Up

Balsara has two brands Promise and Babool

2. Hair Care

HLL has five brands

P&G has two brands

LOreal has three brands

Marico has four brands

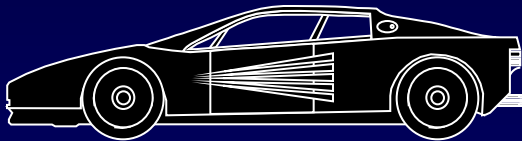
BC has three brands

Fact No 1

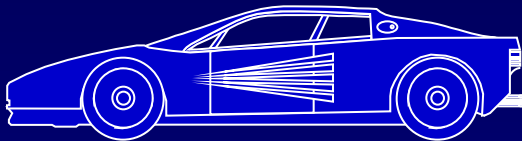
The No 3 brand in any category - India and worldwide rarely has a Market Share exceeding **10%**

At a Variant Level

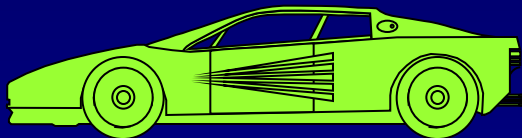
The Father of varianting - Alfred Sloan



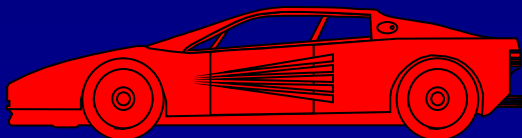
FORD **Black**
car



GM **Blue car**



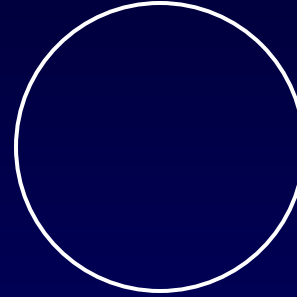
Green car



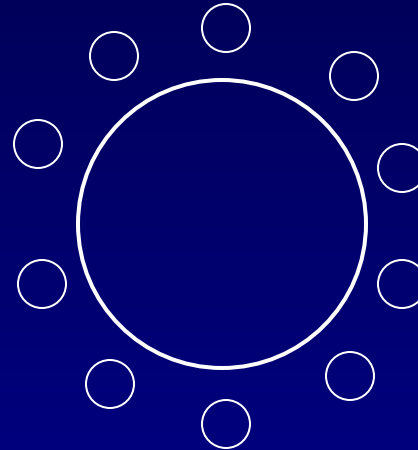
Red car

The Genesis of Varianting

The Main stream



The Splinters



The start points are Color, Product Form, Ingredients, Consumer Problems / Solutions, Consumer ability to spend, price

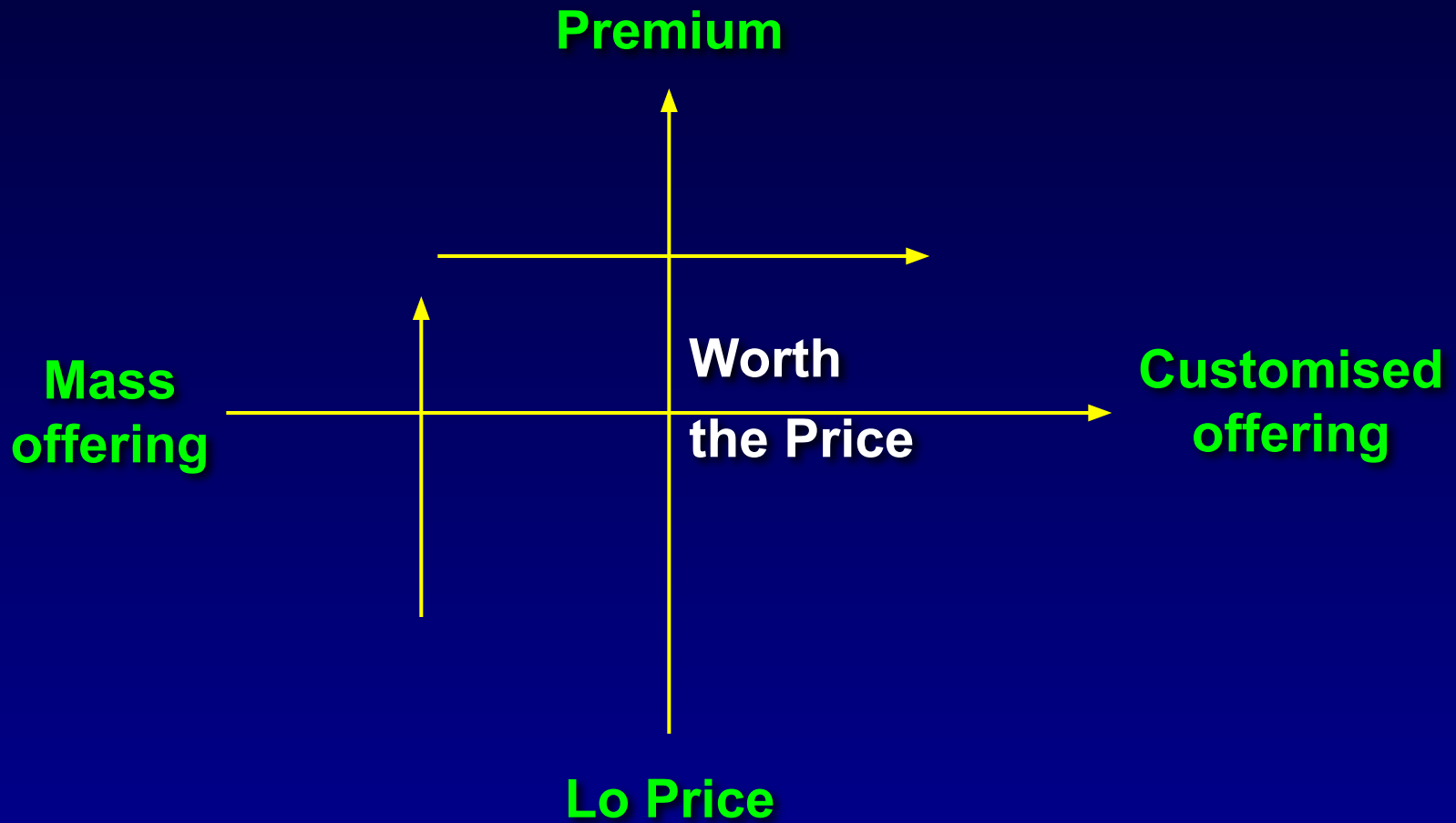
Fact No 2

- **Pert has 19 types of shampoo**
- **Pantene has 72 varieties of Hair treatment**
- **Colgate has 19 types of Tooth Paste**
- **Kleenex has 9 types of tissues**

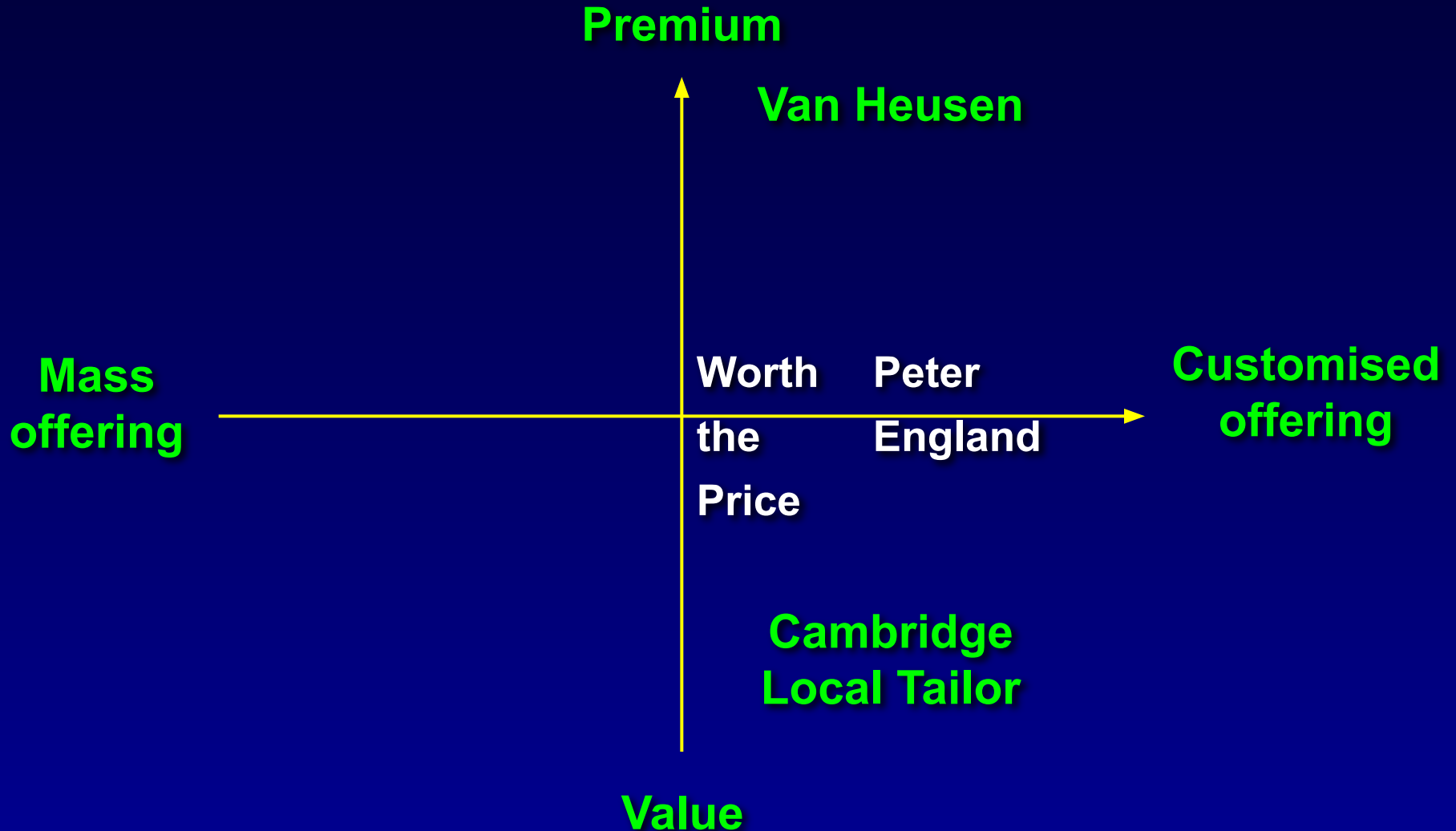
Is each variant meaningful?

Where do you draw the line?

Fact No 3



Fact No 4



Fact No 5

Consumers Ability to Spend:

1. Credit cards Platinum

Gold

Silver

Executive

2. Restaurants A/c

Non A/c

Garden

3. Airlines F Class / B Class / Economy

At a Pack Size Level

Pack sizes depend on :

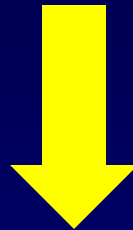
1. Consumer ability to put down money
2. Consumers consumption Pattern
3. Consumers satisfaction level
(eg will a 50 ml Coke quench thirst?)

At a Pack Size Level

A 100 Crs brand has on an average 5 – 6 SKUs. Important to keep it that way for Scale and Economies

At a Cross Category Level

1. Should the brand be where it is?
2. Should the brand extend to other categories?



What makes the Brand Valuable?

What makes the Brand Unique

eg. Swatch

CKlein

Dettol

At a Cross Category Level

**The Fight of the Generalist
Vs The Specialist**

Why Brand Rationalisation?

1. Choices are getting confusing
2. Real differentiation is low
3. Pressures on companies to deliver results
4. Good at something rather than average at many things

Why Brand Rationalisation

1. The Consumer Point of view

- ‘No Brainer’ Brand
- ‘For me’ Brand

2. The Wall Street view

- Mkt Share = Profitability
- Strong Brand = Global Relevance

Why Brand Rationalisation

3. The Global Factor

- Media crosses boundaries
- Tariffs will come down

4. The Organisation Pt of view

- Leveraging an Asset
- Keeping Life Simple

Summary

Brand Rationalisation Levels

Logic

Future

Thank u