

Revitalizing Aging Brands

Ms. Ruth D'Souza

Mature or heritage brands are often regarded as efficacious and the gold standard in a particular therapeutic area, with the bonus of a predictable safety profile. They are also less expensive and potential profit generators. Yet, challenges faced by a mature brand are obvious. Many once-strong brands wither away into obscurity. Reviving them can improve bottom lines of an organization. Once an organization decides to revive the brand, various options need to be considered. The key is to identify critical growth drivers and quantify the growth each driver can generate for the brand.

Every company faces the challenge of managing and growing mature brands. But the key question is finally 'are all brands worth reviving?' Which ones should a company attempt to grow and which ones allow to die or divest?

Darwin changed world paradigms with his revolutionary theory of evolution. This theory has had a profound impact not only on biology but also on theology and philosophy as well. The evolution metaphor when applied to brands creates a new perspective on what makes brands grow and survive.

Brands either live or die. Certain branded products may "die" from obsolescence or changing consumer tastes but brands can be rejuvenated with new products and services.

Well-managed brands, however, can prosper almost indefinitely. Numerous studies have shown that many brands that were leading the market years ago are still in that position. To a large extent it has been proved difficult for a challenging brand to overtake them. This means that they have the ability to extend the life cycle or, possibly, the effective marketing of these brands has meant that the life cycle, in its purest form, does not exist.

With well-conceived strategies, a brand can be kept relevant to consumers, continue to provide consumer value and last almost indefinitely. Stories of Barbie, Colgate, Coca-Cola, Marlboro, Mercedes-Benz, Nescafe and Kodak justify the possibility. And in Pharma, we see

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brands like Benadryl, Phensydyl, Aten, Beplex Forte, Unienzyme, Hepataglobin, Liv-52 among others living on. While therapies may change, mature brands remain evergreen standing the test of time.

Mature brands are well established, with a brand heritage. A brand's heritage speaks about its status, character, social class, and history. Brands that have been alive and have a strong brand recall in spite of all the odds are the ones that truly are heritage brands. They leave behind a strong image of themselves in the minds of their consumers. A brand could be in the form of anything - a university (IIM, Harvard), movie (Sholay) or a person (Amitabh Bacchhan).

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Building a mature brand involves clear positioning, legal protection and imaginative expressions of the brand's identity. In fact, if there is any one single characteristic and attribute of a mature brand that provides sustainable competitive advantage, it is heritage. Your brand's heritage may hold the keys to its future.

Mature brands pose challenges

Mature or heritage brands are often regarded as efficacious and the 'gold standard' in a particular therapeutic area, with the bonus of a predictable safety profile. They are also less expensive and likely to be profit generators.

Yet challenges faced by a mature brand are obvious. An ageing product will have a large number of competitors. It is likely to have been therapeutically superseded and have either a flat or declining sales trend. Generic products will either be imminent or already available. The level of in-house product expertise is likely to be declining, with little or no sales force activity or interest. Doctors will have 'heard it all before' and are likely to be unreceptive.

Many once-strong brands wither away into obscurity because their brand managers lose sight of the customer, and choose to attack the competition instead. Profit pressures on mature brands lead some companies to focus on the competition at the expense of the customer. In the face of these pressures, companies can either fight the competition or shore up the loyalty of existing customers or identify new uses for the brand and generate new customers.

Reasons for brand maturity:

Before getting down to strategic options, let us first examine why brands become mature in the first place

1. Competition

Competition in the form of a new superior molecule may have taken over the category. Or new research on diseases may constantly change

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guidelines for diagnosis and prescription.

For example the treatment of Asthma has changed a number of times based on new research and new molecules.

Theophylline, a molecule prescribed in asthma for over three decades is now being challenged by the new Leukotriene inhibitors - a new approach to asthma. If mature brands like Deriphylline have to grow, they have to devise methods to

ward off the threat posed by leukotriene inhibitors like Monteleukast (Ranbaxy's Romilast) and the impending entry of an even newer molecule Zafierleukast.

Or take for instance the case of synthetic progesterone which is slowly losing ground to natural progesterone.

In some categories, competition is not just from other drugs, but from interventions. For example, treatment for arteriosclerosis may have to compete with angioplasty interventions or toothpastes for sensitive teeth may have to compete with root canal treatments.

2. Stagnating category sales

The whole category may be declining, and a brand could be one of many brands that could use rejuvenation. It makes sense to build the brand while others are lying low because this is the time when the ambience is clutter free and your message gets across to the prospect much more clearly.

For example categories like B- Complex and antacids are stagnating, but brands like Becosules and Gelusil are still growing!

Another classic example is the molecule Atenelol; while the category is declining at 5% the leading brand is growing at over 20%.

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3. Loss of differentiation

Perhaps, the brand has lost its unique point of differentiation and needs revitalization with a new image. Or the earlier points of difference have been copied by competitors. The challenge is to reinvent the brand to still communicate advantages over competitors.

A classic case is that of Metaprolol - a very old beta blocker. It was repositioned in the light of new data that it does not merely reduce blood pressure numbers but reduces mortality thus saving lives.

4. Aging target market

Another reason could be that the target market for the brand has aged, and the brand has not managed to renew its positioning in the minds of the next generation of consumers.

For instance, enzymes were prescribed to a great extent by older doctors, but the new trend is to prescribe natural products like Isabgol for digestion leaving older brands like Unienzyme under threat.

In the case of B-complex vitamins, the trend of younger doctors is to prescribe anti oxidants instead of the traditional B- complex.

5. Changing consumer needs

In a changing world one constant is the consumer demand for 'faster, better, more'. The brand may no longer meet the prescribers and patients needs or desires. Sensitivity to side effects has gone up and is demonstrated by shifting prescription trends. For instance, tramadol injections are gaining over Diclofenac injections and Carbemezapine market is shifting to Oxcarbomezapine. The treatment of acidity revolved around H2 receptor inhibitors, then moved to proton pump inhibitors like Ranitidine and is now shifting to newer molecules like Rabeprazole.

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Are all old brands worth revitalizing?

Marketing mature brands is more often a case of managing decline and delaying the inevitable. The challenge is to secure in-house resources in terms of promotional budget with sales force resource often being out of the question. It is therefore vital to decide which brands are worth reviving.

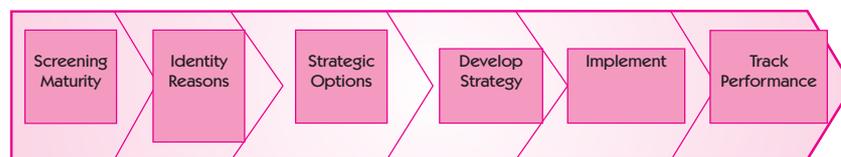
Very often mature brands are shadows of their former selves. They walk the fine line between life and death, and are often demoted to the bottom shelf of the retail counter, which is the death row in many stores. The companies, which own these brands, have four options:

- 1) Revitalize them
- 2) Milk them
- 3) Sell them or
- 4) Prune them

It is important to consider many aspects before deciding what to do with mature brands.

Some of the factors include significance to the organization and brand heritage. Another deciding factor could be whether the brand is at growth maturity, stable maturity or decline maturity.

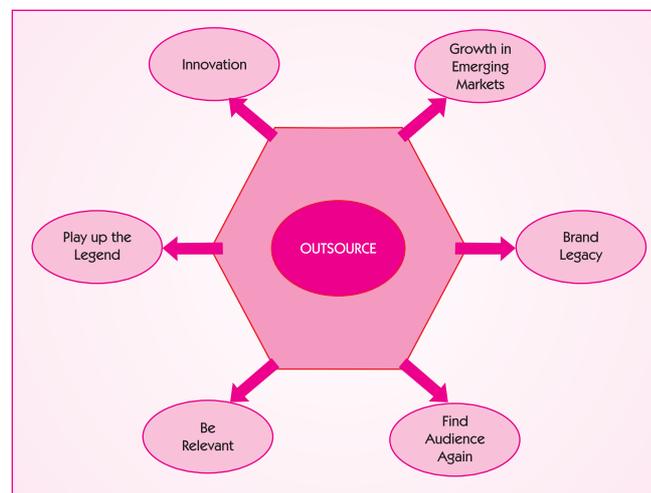
Figure 1: Brand Building Process



Strategic options for mature brands:

Once an organization decides to revive the brand, various options need to be considered. It goes without saying that the direction which the brand takes will depend on customer insights and fact based assessment of the brand identity and brand legacy. The key is to identify critical growth drivers and quantify the growth each driver can generate for the brand.

Figure 2 : Strategic Options



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So how can these brands move from old to classic cool? There is no surefire way; however, here are some key principles to help them along.

1. Product innovation

Marketers can also reverse the decline of brands and markets through what is known as "discontinuous innovation" - a development that fundamentally alters the state and perception of a sector.

In a sector where loose tea ruled, tea bags revolutionized the way the drink was perceived - ending the ritual of pouring tea from a pot and reinventing it as a fast turnover convenience drink. Round tea bags brought further innovation to this market.

Finding new ways to connect with customers includes changing what, how and where they experience your brand. This involves rethinking the product, the level of customer service and even channel strategies.

2. Growth in emerging markets.

Another area of opportunity for mature brands and products is in emerging markets.

The more technologically advanced the product, the shorter its period of rapid growth, and the longer its era of flat sales and eventual stagnation. There is little growth in sales of televisions, though innovation during the eighties kept the market buoyant. There is a replacement cycle, rather than growth in penetration, so people generally buy the latest wide-screen TVs when they are looking for a new set.

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Most mature pharma brands have failed to penetrate the vast rural market. Reaching doctors and patients is a challenge that needs to be addressed as the brand tiers down the customer segments.

3. Going back to the brand legacy.

Heritage brands have the distinct advantage of history on their side. They obviously have done something well in the past. The trick is in identifying where that magic lies and building on it.

While this may sound relatively obvious, it is hardly straightforward. All

too often, the temptation is to rely too heavily on nostalgia as the key pull factor in drawing consumers back to the brand.

This may not be the same for other heritage brands, which is why the equity of each heritage brand has to be explored thoroughly. The idea here though is to ensure that existing brand strength is capitalized on, and that the good is not thrown out with the bad.

Many mature brands in pharma face the challenge of lack of new scientific papers in India and internationally. We constantly get queries from clients to generate medical data through meta analysis or articles which will provide some new material of interest to the doctor.

In some of our consulting assignments for brand strategy, it has been the brand legacy that has come to the rescue of the brand - a case in point being Nitrovet, where the legacy of the brand and the brand promise was highlighted leading to revival of the brand.

4. Finding your audience again

Let's face it, pushing your "grandmother's brand" may work if you're selling products required in traditional Indian cooking, but may not be the best approach if your intended audience is the younger, trendier segments or if you are in a more forward looking, research driven industry, such as pharmaceuticals.

Every brand is different; while rejuvenation is necessary for heritage brands, how far to stretch an audience beyond traditional customer bases will depend on the industry, brand legacy, and how well the needs of younger customer segments can be met by the brand.

5. Being relevant again

Many heritage brands have simply fallen out of fashion. Reasons abound: products are no longer used in our modern times, there is an emergence of new brand or solution alternatives, brand image may not have caught up with the times.

The end result: many heritage brands have lost their relevance with consumers today.

6. Playing up the legend

Brands are built around stories. Stories help us understand and identify with the brand: who it is, where it's come from, what it means to buy from it, what it means to work for it. This is a powerful way to bring brands to life.

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Heritage brands have a wealth of brand stories to tap on. However, many heritage brands either tell their story badly or dwell too much on past glories and alienate potential new customers. A brand story should be told in the context of how it has helped the brand deliver on its promise today. This helps establish credibility, signal progress, inspire, awe and mystery that could win more audiences.

7. Out Source

Sometimes an organization may have many other priorities like a slate of new products which need to be established or a portfolio of large and growing brands which need to be defended and grown, leaving little time for managing mature brands. We have also seen that brand managers want to work on therapy areas that are current and futuristic and are not attracted to the idea of working on older brands as these do not add value to their CV's. Moreover since there is a crunch on the number of bands a Medical rep can promote to a doctor, these brands end up jus as a lame reminder. Thus, mature brands often languish as also ran's, with little time, money and attention from both the product management and field force. In this context it may be best to outsource the brand to an external agency for both sales and marketing.

Another option maybe to get an outsiders perspective by hiring a consulting firm to develop and support implementation of strategy. This will ensure a fresh look at the brand and build commitment of brand management and field force to the success of the brand.

Conclusion

Mature brands are the heritage of an organization. Reviving them can improve bottom lines of an organization. Brands have the potential to live longer. While bad brands may fade away, a good brand though, should never go.

(Ms. Ruth D'Souza is Executive Director of Interlink Consultancy Marketing Pvt. Ltd. She possesses wide experience in Consulting and Training Portfolios)