BUILDING ICONIC BRANDS

wazir ADVISORS

INDIAN CHAMBER OF COMMERCE

Imagine Innovate Inspire

BREAKING BARRIERS

Content

Published by:
Wazir Advisors, 115, Sector 44, Gurugram, Haryana 122003.

Preface

Brands are a guiding light in a market full of products. They are about "choice" and channelize consumer behavior in a certain way, guiding him or her in an otherwise crowded marketplace full of me toos. Consumers would really be lost if there were no brands, but just plain generic products. While there are many definitions of what a brand is, essentially it is the consumer's perception about a product, services, and organization. While companies and markets may define the brand in a particular way, the moment of truth is when and how the consumer defines it.

While we are surrounded by brands that have become an integral part of our daily lives, there are a few brands that have etched a much more lasting impression on our minds. Irrespective of whether we use them or not, these brands continue to occupy mindshare and command respect, and in some cases their names are now used as action verbs. We "UBER" to office, we "WhatsApp" our friends and so on.

These brands have thus become ICONIC.

In this paper, we would like to draw the reader's attention towards understanding iconicity, and the elements that make a brand iconic. This paper highlights the journey of a few Indian brands to achieve iconicity, and maintaining the same over years, and even generations in a few cases. Further, we believe that while the vector of time is important in the journey of a few brands, iconicity is not solely dependent on this. Many brands have proved this by becoming iconic in a much shorter time frame, thereby becoming a guiding light for others, InDiGo Airlines being a case in point.

This paper has been collated through extensive secondary research and discussions with thought leaders, including those from some of the companies detailed. We hope that through this paper we can catalyze a few brands to start their journey to iconicity. We would be happy to take this discussion one on one with companies who wish to engage with us and be a part of their journey to iconicity.

Building Iconic Brands And Elements Of Iconicity

"The Complete Man" is not only just a campaign by Raymond, it is a portrayal of authoritative symbolic association that the brand has built in the consumer's mind, who no longer consider it just as a product, but as an Icon, and as "their guide" to being dapper. To be an iconic brand means setting an outstanding aura by becoming a part of customer's lifestyle and providing more than just a product or service. Iconic brands command highest top of mind awareness and recall and the benefit of instant association, even among consumers who do not frequently buy their products, or are not even a part of the target audience. Also, an Iconic brand has potential to become the identity of an entire ecosystem and is well positioned to outlast products and markets cycles.

Following are a few elements that we believe make a brand Iconic.

i. Superior Products & Highlighted Differentiation:

The basis of being a good brand, the first step towards iconicity, is to offer superior products and services to attract customers and to maintain their loyalty towards the brand. The definition of "superior" is time, market and segment related, but brands that "cut corners" fail to last long.

Equally important, along with having a superior product, is the ability to communicate to the consumer the "differentiation". Real or perceived differentiation has helped brands to always keep their offering attractive to the target segment and thereby in attaining and retaining iconicity. A successful differentiation strategy increases brand loyalty among its customers. Also, it helps an iconic brand to create a perception that the customer will not get any alternate or substitute in the market. Iconic brands do understand that they need to guide the consumer to make the right choices and need to communicate and propagate their benefits and differentiation to their target consumers, so that they do not get lost in a crowded market.

Superior product and highlighted differentiation have been slotted together as we believe that jointly their power is much greater than individually. In many cases, brands do have a superior product, but leave it to consumers to discover the same. While this could work over a long period of time, we believe it is best to not let "discovery" take its own course.

ii. Consistency:

Consumers develop a brand image through their interactions with a brand. They always want to buy from the brand they know and expect consistent experience. If a brand can communicate and make apparent its “promise” to the consumers and consistently deliver on the same over the years or generations, across products and markets, they can earn the iconic status for themselves. The “trust” capital that iconic brands garner, pushes them to soar higher and grow faster.

iii. Tenacity & Evolution:

Being tenacious is holding on to the “core purpose and values” in good and bad market conditions. It is evolving with time to remain relevant, yet not being fickle and led by fads. It is not diluting the core for short-medium term gains, as attractive as they may seem. Fads may come and temporarily disrupt the market, but iconic brands remain resolute and deliver their core promise, evolving with time but never losing their grip on the fundamentals of their business and the needs they address.

Evolution however is a must. Most iconic brands have steered the future rather than being steered by it. They have led their chosen categories and have marched ahead of others with a vision of the future. Iconic brand have an unflinching eye on the evolution of their consumers and guide them into the future, or at worst evolve with them. Brands that loose this focus, lose relevance and hence fade away.

Again, there is a certain interplay between tenacity and evolution and hence one has to be looked at in the light of the other. In certain cases, tenacity and being resolute quickly turns into stubbornness and shortsightedness. Brands thus fail to understand the changing consumer realities and fade away.

iv. Market Disruption:

Success through innovation means continuous disruption. Knowing the customer’s latent needs and using this information to continuously innovate products and selling more efficiently disrupts the market. While it is certainly good to have 10X innovations, disruptions can also happen through small insights that can be converted into meaningful “differentiation”. Also, as mentioned earlier, brands have the power to lead consumers/consumption and innovations may lead to need creation.

Disruption is one of the ways to become iconic in a much shorter time frame, as the disrupter changes the playing field itself, to its own advantage.

v. Storytelling:

Most Iconic brands have mastered in narrating brand stories that resonates with their audience, thereby helping them engage with more customers, enhance loyalty and in the process, increase brand revenues. It is not only important to have a story, but to weave the customer’s story – struggles, needs, desires and aspirations with the brand’s story. This will develop genuine brand engagement and an iconic symbol. Further, storytelling is not just about communication, but the entire brand experience has to be crafted around the “brand story”. The resultant emotional connect with consumers help brands to rise above the basic price versus functionality game and create a more compelling reason for them to pick the brand over other.

Another way to master story telling is through putting a clear vision and mission statement and communicating the brand values to the consumer. This allows customers to understand what the brand stands for and then choose whether or not they want to transact with the brand.

vi. Internal & External Alignment:

To support all the above requires tremendous alignment and focus, firstly within the organization, then with external partners and agencies that work with the brand, and with all stakeholders associated with the brand. It requires wholehearted buy-in, clarity of thought and consistency in action across levels. The brand values then translate into the organizational culture and vice versa.

For a brand to be iconic, it has to work on all the above elements, though in different magnitudes, depending on the industry and segment it operates in. A brand has to fare outstandingly well on a few elements, while being good on others. Also, being outstanding on a few elements holds more weightage for a brand's iconicity than being good on all. Therefore, "excellence" is what an iconic brand should pursue on the chosen elements and being good would simply not be good enough. Lastly, the above by no means are the only elements that a brand can choose to attain iconicity, but are the ones found in most iconic brands. Brands can script their own journey to iconicity and can add new elements to the list presented above.

Presented in this whitepaper are case studies of four Indian brands that we believe have become iconic. Each of these operate in different markets and categories and have created their own recipes for attaining iconicity, but the ingredients of their iconicity have largely remained the same. While there are many iconic brands in the market and we respect them, these four have been chosen to drive home a few points and illustrate iconicity in different market types and conditions:

a. *Raymond* – A legacy brand that has been able to create an appeal amongst consumers of all socio-economic strata, while operating in the highly aspirational fashion market; a feat that not many other have been able to achieve.

b. *Royal Enfield* – A brand whose story is as thrilling as it can be and which turned itself around, leveraging the power of the "brand".

c. *Amul* – A brand with one of the largest numbers of stakeholders and operating in a largely commoditized sector, but which continues to appeal to more and more consumers and grow at a phenomenal pace.

d. *IndiGo* – Built with a twist on the global low cost model, IndiGo disrupted the airline sector and proved that iconicity can leap the vector of time.

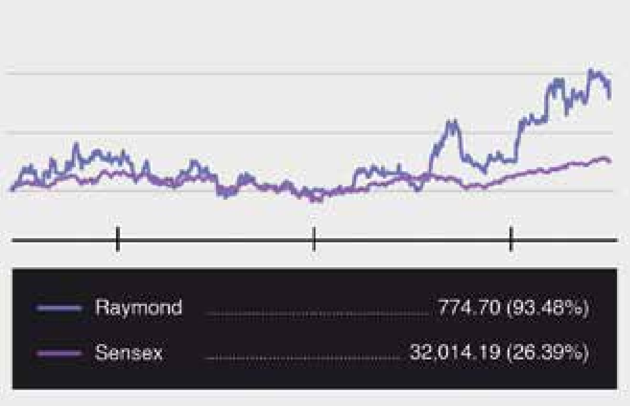
Raymond

Trust, Excellence, Quality - these are some of the values that have been associated with Raymond over decades. Raymond is amongst the world's largest integrated producers of worsted (wool-based) suiting fabrics. It is also one of the largest and the most loved textile and apparel brands in India.

Raymond started in 1925 and began selling suiting over the counter as early as 1958. Raymond Apparel was formed in 1969 (as a 100% subsidiary of Raymond Limited), and the company accelerated its business eighties onwards.

In 2017 the company posted a net revenue of Rs.5,509 crore with the total profit of Rs.423 crore. Raymond's share price has shown a growth of 93.4% (2014-2017) vis-a-vis the BSE benchmark Sensex that grew only 26.3% for same period, showing investor confidence in the brand.

Since 1992, the brand is synonymous with "The Complete Man" a campaign that has become the face of the brand and has evolved over years. Raymond's "The Complete Man"- an ac-



Companies	P / E	EV / EBIDTA
Raymond	28.1	11.2
Siyaram Silk Mills	14.5	8.9

Source: BloombergQuint (as per data on August 2017)

complished man with a refined taste and who is caring, sensitive and places a great premium on relationships caught the fancy of the Indian males. This is what they aspired to evolve into and the catch up game still continues.

Some of the pillars of Raymond's iconicity are detailed in the table:

Raymond is registered brand of Raymond Ltd.

Elements Of Iconicity	Raymond
Superior Products & Highlighted Differentiation	Raymond operates across a very wide price segment in its core fabric business, but across each segment Raymond's products are the best in class and hence desirable and aspirational. It has always been extremely focused on its product superiority and has a vast portfolio of more than 20,000 designs and is the only company producing super fine wool from 80s to 250s count. This product superiority was also maintained when the company extended the range from fabrics to apparel and launched Park Avenue, and later Parx and other apparel brands. Further the DNA of "Trust, Excellence, and Quality" remained unchanged when denim and shirting ranges were launched. Raymond's readymade suits are still considered one of the finest in the country and Raymond has further moved ahead to launch 'Made to Measure' (MTM) and 'Made to Fit' (MTF), the first of their kind offerings in the apparel sector. While product continued to be the focus area, Raymond also clearly and consistently communicated with the consumers to establish the differentiation and maintain the aspiration. Whether it was about the range (Raymond Whites) or product innovation (Colors of Wool), Raymond continued to supports its main brand story of "The Complete Man" with communication that established product superiority and functional benefits. This has positively supported Raymond and has added to its ability to charge a price premium over competitors, while maintaining over 60% share of the worsted (wool-based) fabrics market.
Consistency	The company has consistently delivered on its core promise of helping men dress dapper, not just by providing premium quality products and services, but by also sticking to "classics" and now "contemporary" look and staying away from fads. It is not by fate but by meticulous effort that Raymond has maintained its leadership position in the worsted fabric market, while many large players entered and faded away into oblivion.

Tenacity & Evolution	While the market was shifting from Poly Wool to Poly Viscose, a fabric that was cheaper but of a lower quality, Raymond stuck to its quality commitment and did not venture into Poly Viscose, even as its competitors used that as a means to temporarily eat into Raymond's market share. Transitory gains did not lure Raymond into selling non aspirational products. Raymond entered the Poly Viscose segment only when technological developments paved way for manufacturing of superior quality Poly Viscose fabrics and the market was mature enough to look at other benefits of the fabric, beyond price. Raymond has always been a learning and evolving company, guiding consumers to dress better. It was one of the first to sell suiting fabrics over the counter, one of the first companies to launch readymade apparel, first to launch custom tailored 'Made to Measure' and 'Made to Fit' clothing and now one of the first few brands to have new age digital stores. Raymond has always been ahead of the learning curve and has hence remained relevant to the consumers. To maintain focus on textile and apparel, Raymond exited non-core business like cement (2001) and steel (2004), freeing up financial muscle and management bandwidth to grow the textile and apparel business.
Storytelling	Textile and apparel market is heavily perception based. While all the major brands were busy endorsing their products through brand ambassadors, or highlighting product features through product driven communication, Raymond continued the philosophy of using the common man who believes in staying real and values family and relationship. Raymond's "The Complete Man" added layers to remain relevant in the changing socio-cultural environment and maintained it's connect with the consumer. Raymond's storytelling and consumer connect is so strong that It remains one of the top recall brands with very positive brand Association, even amongst non-users.

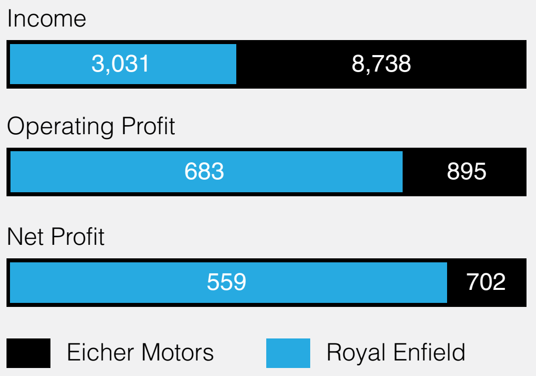
Royal Enfield

This is a story as thrilling as a ride on the Royal Enfield itself. From being a company with deep losses around the turn of the century to soaring sales and surpassing global giant, Harley Davidson (2.67 lakhs bikes) by selling 3 lakhs units in 2014. This is a story that reinforces the power of the brand and reinstates that brands are bigger than products and can far outlast them. It also reinforces that to remain iconic evolution is a must, else a brand can lose relevance and can slowly become history.

Royal Enfield is the oldest surviving brand of motorcycles in the world, with the first motorcycle having rolled out of the factory in 1901. In 1955, Enfield Cycle Company joined hands with Madras Motors in India and formed Enfield of India, and started assembling the 350cc Royal Enfield Bullets in Chennai (then Madras). Offering good performance at modest cost, these sold widely, given their masculine looks and rugged build. The branding was changed to 'Royal Enfield' in 1999. With its heritage as a weapons maker and 'Made like a gun' as tag line, Royal Enfield always had its reputation, a cult following and aspirational value. However, during the mid-nineties, as light weight Japanese bikes with their latest technology entered the Indian market, and

Royal Enfield is registered brand of Eicher Motors.

Royal Enfield delivers most of Eicher's profits
(Figures in Rs. crore and pertain to FY14)



Source: Company annual reports

Companies	P / E	EV / EBIDTA
Eicher Motors	43.3	27.2
Bajaj Auto	18.2	15.4
Hero Moto Corp	17.2	11.5
TVS Motors	33.6	21.7

Source: BloombergQuint (as per data on August 2017)

"mileage" became a talking point, Royal Enfield started looking like a relic. Internal systems and processes had also become dated and the bikes had a number of problems and quality issues. Thus consumers veered towards the Japanese bikes.

It was evident that Royal Enfield bikes needed "modernization" without losing out on what made Enfield different from others. From there, to the present time, the story of Royal Enfield and its iconicity is centered on the principal of "tenacity and evolution" and other pillars as detailed below.

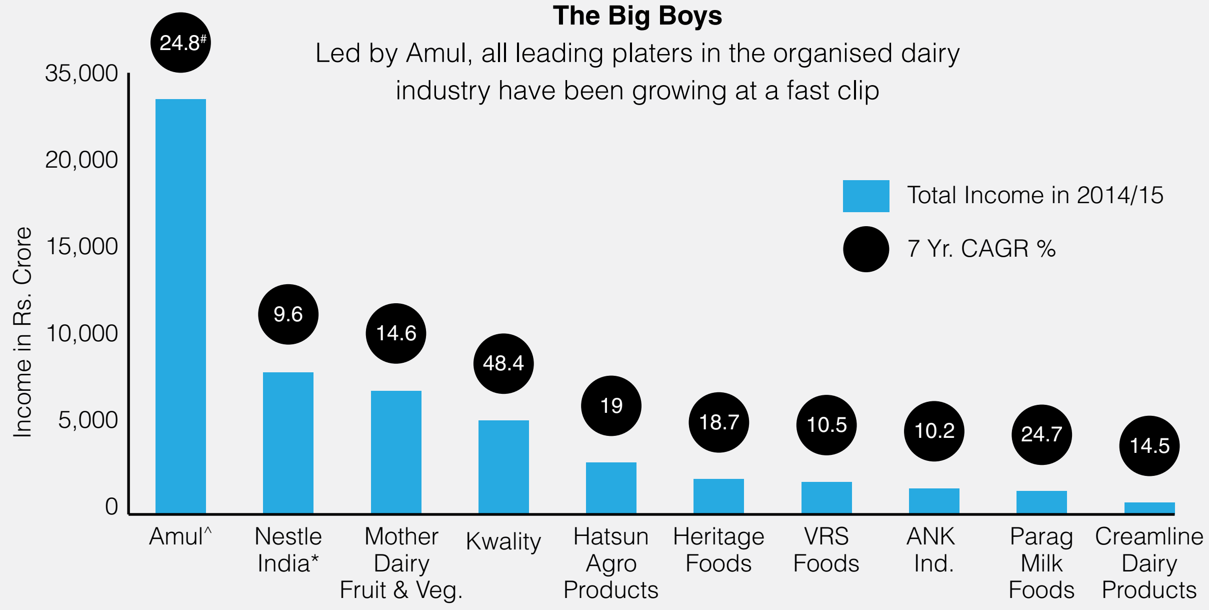
Royal Enfield delivers most of the profits to Eicher's Motors, its parent company. The stock price of Eicher Motors has gained more than 278% in past 3 years. Also in the valuation matrix, Eicher's shares are currently trading with PE multiple of 43.3 which is highest amongst its peers.

Elements Of Iconicity	Royal Enfield
Superior Products & Highlighted Differentiation	Reinstating product superiority was at the center of the revival that started post the year 2000. A number of design changes were made to the bikes to make them lightweight and look more contemporary. An aluminum engine was developed to replace the old and heavy cast iron one. The new engine was more reliable, 30% more fuel-efficient and 30% more powerful too. Sound mapping was carried out to ensure it produced the maximum rhythmic vibrations possible and a beat, which was 70% of the amplitude of the original "thrrumm". More stringent quality systems were implemented across Enfield's own factory as well as at the OEMs. New models like the Royal Enfield Thunderbird were launched using the single platform principle, to attract new and younger customers. Further, in order to enhance brand experience for its customers, Royal Enfield improved the quality of its dealer outlets and started company owned flagship outlets called 'Royal Enfield Concept Stores'. What it did not change was its heritage of producing heavy-duty,

	build to last products for Indian markets. Enhanced quality and new models started showing results and sales improved by the year 2005. In the last 10-15 years the company has launched multiple products in 250-700cc segment and presently has around 95% of market share. Royal Enfield also began conducting marquee rides to promote leisure biking as the bike became a lifestyle proposition. The company also launched biking gear (apparel and accessories) to complete the look. Royal Enfield has differentiated itself by branding it as more than just motorcycles. It is the sense of belonging to an exclusive community with unfading passion, emotion and interest.
Consistency	The resilience of motorcycle is also translated into the resoluteness of the core values of the brand. The brand has consistently delivered the message of "wowness" and royalty and has not focused on the daily commuter but the "adventure" seeking leisure biker. The "handcrafted" character of the bike has also been retained.
Tenacity & Evolution	Throughout the revival and evolution process, while 100-125 cc bikes were tremendously gaining market share as well as growing the market, Royal Enfield stuck to its core of making heavy-duty bikes in 250-700cc category, targeting premium customers. Royal Enfield has never played on volume and that is why it was able to maintain its position compared to its competitors. The tenacity that the brand has, is mirrored in its strong pricing power and improved operating margins, which in turn rapidly increased the valuation of the company. By the year 2015, Eicher Motors, the parent company of Royal Enfield, had become one of the most expensive automobile stocks in India and continues to remain in the top league. Royal Enfield bikes are now sold in more than 40 countries worldwide.
Storytelling	Owning a Royal Enfield is like owning a legacy, belonging to a different class. The brand makes the owner stand out in the crowd and has always been synonymous with leisure and adventure and promotes leisure motorcycling as a lifestyle. It encourages the Royal Enfield riders and owners to "keep riding". The company promotes communities, blogs, trip stories, forums that establish it as a cult brand in its own league. The storytelling is more rounded with the launch of the biking gear that completes the look and the story.

Amul

Amul is arguably one of India's most successful and iconic brands. A brand that is recognized and loved from masses to classes and across the length and breadth of the country. Started in 1946 and christened in 1955, the Amul brand was originally marketed by the Kaira District



* December ending financial, includes milk products and nutrition, beverages, prepared dishes and cooking aids, chocolates and confectionary

** Estimated figures

^ Amul figures are for 2015/16

\# 8 year CAGR

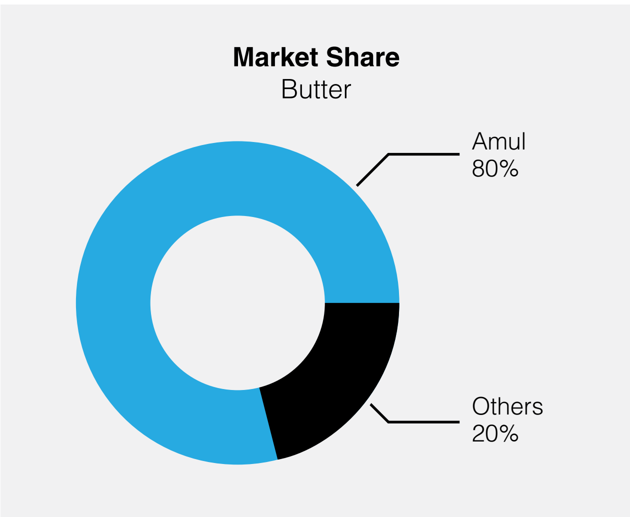
Source: BT research and Ace Equity

Cooperative Milk Producers' Union, Anand. It was taken over by the Gujarat Cooperative Milk Marketing Federation (GCMMF) in 1973. At the time Amul was formed, consumers had limited purchasing power, and modest consumption levels of milk and other dairy products. Amul adopted a strategy of "giving the best quality product to the consumer, at the best possible price" to make its products affordable and attractive to consumers. The brand has since then held on resolutely to its core values that have withstood not just the test of time, but have also been extended to non-commoditized categories that Amul entered over years.

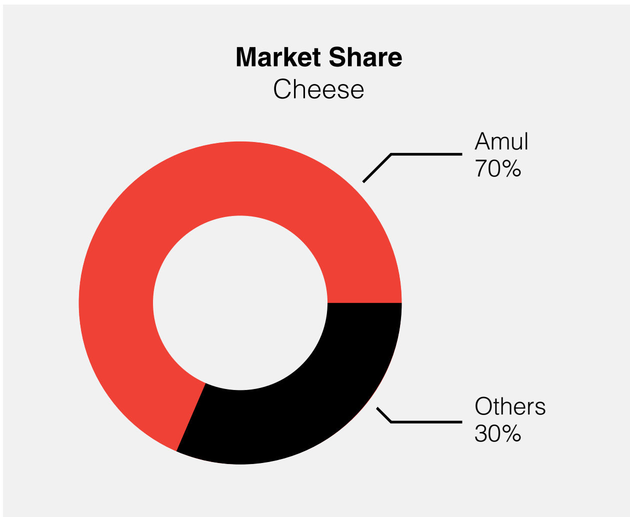
Amul's daily milk procurement is currently about 18 million liters, from 18,549 village milk cooperative societies, 18 member unions covering 33 districts, and 3.6 million milk producer members. Amul's products are available in over 500,000 retail outlets across India through its network of over 3,500 distributors. Amul's turnover stands at Rs. 27,085 Crore (2015-16) and 8 year compound annual growth rate (CAGR) is 24.8%, an outstanding growth to say the least.

Operating in a category where consumer preferences change from city to city and region to region, it is a tremendous feat to be a market leader in most markets of operation and this can be attributed to the superlative product development that Amul has done. The brand has also evolved not just in terms of the product and keeping pace with the changing taste buds of its consumers, but also in terms of its technology, packaging, procurement, supply chain network, marketing and market penetration approach always leading competitors in the game.

Most interesting is how it has kept the brand fresh and exciting through the "utterly butterly" campaign using topical and contextually relevant events. The campaign has the distinction of entering the Guinness World Records as the longest running campaign and has won the brand several other accolades.



Source: Euromonitor



Source: Euromonitor

Elements Of Iconicity	Amul
Superior Products & Highlighted Differentiation	Amul's product range currently includes liquid milk, powdered milk, condensed milk, flavored and sour milk drinks, butter, ghee, paneer, cheese, chocolates, ice creams, Indian sweets etc. It has also ventured into frozen pizzas and other ready to eat products. Amul not just has the best quality products but also a high penetration procurement and distribution network to be able to provide its products to a large consumer base spread across the country. To deliver its brand promise of best quality at best price, Amul closely manages the entire supply chain and has established a direct linkage between milk producers and consumers by eliminating middlemen. Production and marketing functions have also been integrated along the chain, reducing transaction costs for farmers. Further, the company operates on a high volume low margin strategy and works on the lowest margins in its segment making its products affordable while ensuring high quality, thereby making consumers love it. Take for example butter, a category where Amul has around 80% of the market driven by its superior taste, high fat content, availability in different sizes, and wide distribution. Various players have come in from time to time but find it very difficult to compete with Amul, given its very competitive pricing, product quality and above all loyal consumers, who refuse to shift to new brands even if they were to play the loss leader game and be priced cheaper than Amul. Amul is playing the same strategy with ice creams, cheese and most of its other product categories and this is working wonders for the brand. Amul's brand values are so well established in the consumer's mind that now it hardly needs to communicate the product differentiation. Amul believes in its customers experiencing the products and becoming brands loyalist and ambassadors on their own. Amul uses the umbrella branding strategy and spends about 1% of its turnover on marketing, compared to 5-8% spends by other companies in the segment. Well, that's the power of an iconic brand.
Consistency	Consistency is the cornerstone of Amul's strategy. Whether it be communication and delivery on its core values, product quality, or even branding and advertising, Amul has been amazingly consistent. In fact, even the core team has remained largely the

	same and so have been their external partners including the advertising agency. Take a relatively new category like ice creams. Amul's core values and strategy has been the same like in other categories. Instead of just aiming at increasing margins and selling more premium products, which it is also doing through the launch of Epic, the brand's core strategy is to penetrate deeper into the semi urban and rural areas and increase volumes through providing superior quality at relatively lower prices.
Storytelling	Amul has been branded as a movement that represents the economic freedom of farmers and one that has given them the courage to dream, to hope and to live. This "freedom" has been translated into Amul girl's "freedom of speech" whereby she plays the role of a social observer and reflects on trending topics of interest to the common man. The Amul girl's weekly reflections have tickled India's funny bone and have helped connect the brand with its customers. The campaign started in 1967 and is still as exciting and fresh.
Internal & External Allignment	This case would be incomplete without the mention of how Amul has aligned itself to deliver on its brand promise to the consumers on one side and to its commitment to the 3.6 million milk producers, who own Amul, on the other. Systems, processes, external and internal organization and partners are completely aligned to ensure quality at the lowest cost. Take for example how Amul/GCMMF transacts with its wholesalers and gives them a high return while maintains the lowest margins in the category. Amul/GCMMF transacts on an advance demand draft basis with its wholesale dealers instead of the cheque system as used by FMCG companies. This helps GCMMF maintain cash transactions throughout the supply chain, ensure faster cash rotation and enables it in paying milk sellers (procurement network) on time, thereby ensuring procurement in the right quantity and quality. Wholesale dealers carry inventory that is just adequate to take care of the transit time from the branch warehouse to their premises. This just-in-time inventory strategy improves dealers' return on investment (ROI), even though their margins are thin. Also, the assortment at the store is always fresh. GCMMF has also implemented a Geographical Information System (GIS) at both ends of the supply chain, i.e. milk collection as well as the marketing process. All GCMMF branches engage in route scheduling and have dedicated vehicle operations, thereby creating complete transparency and trust in the supply chain.

IndiGo

Started in 2006, IndiGo is one of the youngest Iconic brands in the Indian market and needs special mention not just because of the time frame in which it was able to achieve the "iconic" status but the way it did so. Currently India's largest passenger airline, IndiGo has a market share of 40% and focuses on three key aspects – offering low fares, being on-time and delivering a courteous and hassle-free experience.

While low cost airlines were operating worldwide, IndiGo added a twist to the model thereby creating a disruption and snatching away market share from other players, and forcing them to change their model too. The core strategy of the company is to focus on consistent profitability and sustained cash flows without chasing the market share and profitable it has been for the last 8 years. Its performance highlights include a 21.2% increase in available seat kilometer (ASK), 27.6% increase in revenue passenger kilometer (RPK), 31.5% hike in number of scheduled passengers and 22.5% growth in the total number of flights Y-o-Y.

Valuation Matrix	P / E		EV / EBIDTA	
Years	**2017**	**2018 E**	**2017**	**2018 E**
IndiGo	20.9	16.2	10.1	8.9
Jet Airways	12.6	11.6	7.9	7.6
Spice Jet	9.9	8.2	7.7	6.4

Source: BloombergQuint (as per data on August 2017)

Reflective of its startling performance and its iconic status is IndiGo's valuation. Its enterprise value (EV) is 10.1 times it operating profit (EBITDA). The stocks of SpiceJet and Jet Airways trade at EV/ EBIDTAR of 7.9 and 7.7 respectively.

IndiGo airline is presently owned by InterGlobe Enterprises and is headquartered in Gurgaon India
IndiGo Annual Report 2015-2016

Elements Of Iconicity	IndiGo
Superior Products & Highlighted Differentiation	Despite being a low cost airline, IndiGo delighted the consumers with its latest aircrafts, superior services and through being on-time, something that the consumers were worried about while travelling on other airlines. IndiGo focused on what mattered most to the flyers – commuting from point A to point B on time and at a competitive price. While the other airlines focused on many other things including cabin crew, inflight menu, lounge facilities, loyalty programs etc. IndiGo focused on the basics and took away the market. The company has also engaged and delighted consumers through multi-channel direct ticket sales (including online flight booking, call centers and airport counters), online flight status checking, an exclusive IndiGo app for Android, Windows and iOS devices etc. thus making it very convenient for consumers to fly. IndiGo also aggressively advertised not just on it's pricing but also on its other core values, superior experience and on-time performance. This, coupled with the word of mouth publicity that IndiGo received from its consumers helped the brand grow leaps and bounds. IndiGo today carries people from all socio economic groups and business as well as leisure travelers alike. Flying cheap is now flying smart.
Consistency	IndiGo's strategy has been clear from the starting point - provide customers with a low cost, single class model on its planes. Unlike others who have struggled to find a balance between full-service and low-fare options, IndiGo stuck with offering a single class, no-frills service. It stuck to its core strategy, communicated the same to the consumer and delivered the same. IndiGo is now a 11 year old brand, but the consistency with which it delivers its brand promise is still fully intact and customers are loving it.
Market Disruption	IndiGo disrupted the sector in many ways and broke many myths. IndiGo's innovation has been focused on four major areas that are capacity expansion, improved yields, efficiency and contained costs. While individually these innovations and disruptions may add little to the overall story, together they changed the market dynamics and made IndiGo one of the only few profitable airlines in the world.

Following is a small illustration of how IndiGo is able to consistently deliver on its "brand promise":

- The airline struck a bulk deals with Airbus, one of the largest deals in the world, reducing costs per aircraft. Further, in line with its cost economics, it ordered A-320 Neos which were 15 per cent more fuel-efficient than their predecessors.
- While the purchase deal was a bulk deal, instead of taking bulk deliveries, the company adds a single plane every sixth week to keep its fleet young and to keep the operating costs low. This way it is able to put to work each aircraft before the next one arrives.
- While the sector traditionally had long terms leases, IndiGo has only a 6 year "sale and leaseback" agreements with the aircraft leasing companies. IndiGo, thus has one of the youngest fleets in the world.
- IndiGo hired a young and professional on ground team and crew who could run the operations quickly and efficiently and with a bend for customer service.
- Employees share multiple roles. A check-in staff doubles up as a baggage handler, cabin crew also sells food and partly cleans the cabin before the aircraft lands and so on.
- The airline boasts of a superior turnaround time of just 30 minutes (time taken for a plane to be ready for the next flight between landings and take off) as compared to the industry average of 50-60 minutes. It ensures this by making the aircraft partly ready before landing itself, using the services of the cabin crew.
- Faster turnaround enables IndiGo's aircrafts to spend more than 11 to12 hours in air daily as compared to the industry average of 8 to 10 hours. This along with its no frill but quick and smart services enables lower ticket pricing.
- The airline operates a single type of aircraft (Airbus A320) in similar seating configuration which simplifies crew and engineering staff training and maintenance.
- IndiGo's strategy is to provide more capacity on select routes, rather than spread itself thinly over several. As each destination requires new investments (rentals, staff, ground-handling, equipment etc.), this helps contain costs. Other airlines would rather have more coverage with the same aircrafts than focus on a few destinations.

- Also in order to ensure that the aircrafts don't stay grounded for too long and there are no unexpected maintenance costs they have signed up "power by hour" agreements with vendors (engine manufacturer) under which IndiGo pays a fixed fees as per the hours the aircraft flies. The vendors provide full spares and replacements whenever they are required which in turn helps the company in reducing large inventory of spares or engines.
- The company did some deft route planning that helped it gain market share and also contain costs.

Why Should A Brand Invest In Attaining Iconicity?

Iconicity has its own set of benefits. Here are few of them:

High Brand Awareness And Positive Association

Iconic brands create an aura of their own. Consumer (users as well as non-users) of the brand not just have a positive image, but also a very positive association with the brand. They are well aware about what the brand delivers and the brand values. In many cases these brands have now become the default category names or a verb in itself.

Low Market Risks

Iconic brands have such a positive association and connect with consumers, that their market risks are far lower than others. Consumers recognize the brands even in markets it may not be present it and hence entry into new markets is much easier and brand adoption is much faster. Even if some of their products or extensions fail, or they err in some aspects, consumers are open to giving them another chance. The case of Royal Enfield illustrates this in detail.

Low Customer Acquisition Cost

Iconic brands have an added benefit of low customer acquisition cost as consumers act as brand ambassadors as they refer and add others to the league with the power of "word of mouth". Thus iconic brands do not need to invest as much in marketing and advertising as others in the category, and have much superiors marketing ROIs.

High Market Share

High awareness, low customer acquisition cost and easier entry into new markets and product categories forms the basis for capturing a high market share. Most iconic brands are industry leaders in their chosen product and market segment and competitors find it very difficult to break into their markets.

Coming to the end of the paper, it is essential to sit back and think if your brand is heading in the right direction? Are all the short term to long term strategies aligned to making the brand iconic? Is the management consistently working on the elements that will make it a great brand and then iconic?

Through this paper we are inviting the potential brands to understand the building blocks of being Iconic and start a conscious and deliberate journey towards iconicity.

Wazir would be as excited to be a part of your journey as you are.

wazir
ADVISORS

At Wazir, we specialize in advising Indian and International companies to conceptualize, create and compete in consumer facing sectors.

From Indian to International corporates, from Private Equity groups to family owned businesses, our work centers around enabling our clients make the right moves – from strategy, to implementation, to value delivery and in forging beneficial alliances.

We possess more than 1,000 man years of cumulative team experience across industries, geographies and economic conditions. We leverage this to value add and get that edge in your business. Powered by our deep insights into the Indian consumers, spread across age, social strata, gender and geography, we put the consumer at the center of the decision making process and bring a unique outside-in perspective, imperative for success in a hyper competitive market.

The industries below have been our primary focus for the past several years.

- Retail
- Packaged Consumer Goods
- Fashion and Lifestyle
- Consumer Electronics
- Beauty and Wellness Services
- Food and Beverages
- Automobiles
- Education
- Healthcare
- Financial Services

INDIAN CHAMBER OF COMMERCE
Serving the Nation Since 1925

Founded in 1925, Indian Chamber of Commerce (ICC) is the leading and only National Chamber of Commerce operating from Kolkata, and one of the most pro-active and forward-looking Chambers in the country today. Its membership spans some of the most prominent and major industrial groups in India. ICC is the founder member of FICCI, the apex body of business and industry in India. ICC's forte is its ability to anticipate the needs of the future, respond to challenges, and prepare the stakeholders in the economy to benefit from these changes and opportunities.

ICC's North-East Initiative has gained a new momentum and dynamism over the last few years, and the Chamber has been hugely successful in spreading awareness about the great economic potential of the North-East at national and international levels. ICC has a special focus upon India's trade & commerce relations with South & South-East Asian nations, in sync with India's 'Look East' Policy, and has played a key role in building synergies between India and its Asian neighbors like Singapore, Indonesia, Bangladesh, and Bhutan through Trade & Business Delegation Exchanges, and large Investment Summits.

ICC also has a very strong focus upon Economic Research & Policy issues - it regularly undertakes Macro-economic Surveys/Studies, prepares State Investment Climate Reports and Sector Reports, provides necessary Policy Inputs & Budget Recommendations to Governments at State & Central levels.

Mr. Shashwat Goenka is currently serving as the President of Indian Chamber of Commerce. The Indian Chamber of Commerce also operates state offices in New Delhi, Mumbai, Guwahati, Bhubaneswar, Patna and Ranchi.

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Baqar is a seasoned consumer products and retail professional and entrepreneur with over 18 years of experience in strategy and operations, covering sectors such as Fashion & Lifestyle, Food & Grocery, Consumer Goods and Services. Baqar specializes in retail startups and driving growth, having been involved in multiple startups in India and internationally, including those in the e-commerce space.

Baqar worked for over 10 years with a premier Retail and Consumer Products consulting firm. As CEO, he then headed a men's value brand with 600 plus stores and 125+ Shop in Shops. Baqar was a part of the startup team and the CEO of www.styletag.com, an e-commerce startup in the premium/designer fashion and lifestyle space. As Co-founder & CEO, he then started an online social discovery and commerce platform.

Baqar currently works as Business Director with Wazir Advisors, advising Consumer Products and Retail clients on strategy, operations and M&As.

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A dynamic professional with rich industrial exposure in problem solving, consulting and marketing

Aman has helped companies earlier to improve their business processes and maximize their efficiency. He has comprehensive exposure in handling customer centric business development and consulting assignment ensuring customer satisfaction by achieving delivery & service quality norms.

Aman has done his Masters from Indian Institute of Management Indore in the area of Strategy and is a Project Management professional with PRINCE2 certification.

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