

Chhoti Car, Badhe Sapne (Small Car, Big Dreams): Building Brands and Launching of a New Product

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The brand not only enables a business to focus its efforts around all the needs of the customer (functional, psychological and social), but it also provides the language, which articulates that relationship. It is the definable social area in which customer activity moulds with the communication and marketing mixes developed by the marketer. A brand is therefore a “statement of psychological relationship and dependency between a customer and a marketer”. Marketing communications is a systematic relationship between a business and its market in which the marketer assembles a wide variety of ideas, designs, messages, media, events, shapes, forms and colors, both to communicate his ideas to, and to stimulate a particular perception of products and services amongst the target market. The result of this process of assembling is referred to by marketers as the communications mix. To assemble this mix, the marketer uses a number of marketing communications tools such as: direct marketing, advertising, sales promotions, public relations, point of purchase collateral, events and marketing design like logos, stationery etc.

Public relations involve the cultivation of favorable relations for organizations and products with its key publics through the use of a variety of communications channels and tools. Public relations offers several advantages not found with other promotional options. PR is often considered a highly credible form of promotion. One of PR's key points of power rests with helping to establish credibility for a product, company or person (e.g., CEO) in the minds of targeted customer groups by capitalizing on the influence of a third-party — the media. Audiences view many media outlets as independent-party sources that are unbiased in their coverage; meaning that the decision to include the name of the company and the views expressed about the company is not based on payment (i.e., advertisement) but on the media outlet's judgment of what is important. For example, a positive story about a new product in the business section of a local newspaper may have greater impact on readers than a full-page advertisement for the product since readers perceive the news media as presenting an impartial perspective of the product.

Nano's entry into the Indian market provides a successful case study of a market launch using an integrated mix of communications tools.

BACKGROUND

The Tata is a well known brand in the Indian car industry. But in the small car segment, a number of players are available who claim that they are catering to the requirement of the family car segment with reasonable prices. Now the question before Tata Motors is how to popularize this low cost Nano for Indian families.

Whenever a cheaper product is launched in any industry, it is difficult to convince the customers, especially when the competitors had already established and reached the break even years before. Another tough task is to launch a product which is cheaper than the competitors' product, as the customers will always have the doubt about the quality.

Tata is a reputed brand name known in the industry for corporate social responsibility. If a new product is to be launched under this banner; then more than the sales, the question of maintenance of brand image comes first. So now, Tata Motors has to perform two tasks simultaneously. One is to safeguard the brand image and other is to ensnare the customers.

OBJECTIVE

Tata motor's objective was to cater to the small car family segment and become a mass market brand. It is obvious that the affordable segment of the Nano car is from low income to high income group. Now to popularize it; especially to that segment of people who have not had a single car and only had a desire for a car, is a difficult task as most of them are not even in a position to afford it. In that segment, maintenance of social responsibility image is more important than market generation.

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Tata's objective is to enter the Indian small car market quickly and become a mass market brand as quickly as possible (ideally within a year). To put things into perspective, the following strategies were adopted.

AUTO EXPO AND THE CAR LAUNCH

Nano was launched in the recent Auto expo and it emerged as the highlight of the Auto Expo in the capital. It succeeded in making global history, not just for Tata Motors, but also for the Indian industry and the global auto industry in general. So far, no country in the world has been able to produce such a complete modern car at such a low cost. The Indian automobile industry has been sustained by foreign technologies. It is only now that it can aspire to be a global leader. Earlier, 'peoples cars' like the Volkswagen Beetle, Fiat 500 and the 425 cc Citroen 2CV had been huge global successes, until they became technologically obsolete. The above narration clearly shows that it was a strategic move of Tata to launch Nano in Auto expo, so that golden pages of positive reception can be added in the international car market. The basic objective was to make the customer responsive about the new launch. They were successful as the presence was felt by the national and international market.

DOUBT CLEARANCE OF THE CUSTOMERS AND COMPARISON WITH THE EXISTING COMPETITORS

As the competitor Maruti has already a renowned name in the small car segment, it is obvious that customers will always compare Maruti with Tata. The low price of Tata can always create doubts for the quality. That is why light was shed on the doubts that could have been cropping in the minds of the people regarding the Nano. To address these doubts, the following press release was circulated into the market.

"The Nano is 20 cms shorter than the Maruti 800 but 20 cm taller and six cm wider. It will comfortably seat four large adults and be easier to park. It will also weigh 100 kg less. The 33 bhp engine will generate less gross power than the 39 bhp of the old M-800 but with modern electronic sensors of the multi point fuel injection, instead of the old carburetor, it will be able to deliver enough stable power for an air-conditioner (on the deluxe model) and for driving on mountain roads. With a rear engine and transmission, there will be less weight in front, so power steering will not be necessary. The 623 cc petrol engine will certainly be fuel efficient and an average of 20 kmpl as claimed seems realistic. It will meet international crash test safety norms, but on the flip side, it will have very little boot space. And with a maximum claimed speed of 104 kmph, it will not be very suitable for highway travel. So it will essentially be a cute commuting car for Indian towns and villages."

If at the entry level a company is making its position clear, it is like half of the battle won. And Tata did the same for winning its customers.

THE CORPORATE SOCIAL RESPONSIBILITY STORY TO CASH ON THE EMOTIONS OF THE INDIAN CUSTOMERS

Speaking at the unveiling ceremony at the 9th Auto Expo in New Delhi, Mr. Ratan N. Tata said, "I observed families riding on two-wheelers – the father driving the scooter, his young kid standing in front of him, his wife seated behind him holding a little baby. It led me to wonder whether one could conceive of a safe, affordable, all-weather form of transport for such a family. Tata Motors' engineers and designers gave their all for about four years to realize this goal. Today, we indeed have a People's Car, which is affordable and yet built to meet safety requirements and emission norms, to be fuel efficient and low on emissions. We are happy to present the People's Car to India and we hope it brings the joy, pride and utility of owning a car to many families who need personal mobility."

"... when you're driving a car, you certainly say, Oh my god, be careful, they may slip. Add to that slippery roads and night time too. Any of these reasons can be dangerous for transport."

Anyone who will listen to these words will be thankful to Ratan Tata who had shown genuine interest for the segment of population who is underprivileged. The launch of Nano once again proved Tatas as the conqueror of the heart and minds of the underprivileged.

The other side of the story is that Tata motors is no social organization and though it was a noble cause of providing individual mobility for all that spawned the idea of the Nano, it is still a project that is intended to make money.

UNVEILING CEREMONY AND LIVE TELECAST ON ALL IMPORTANT T.V. CHANNELS

For four years, Tata kept every detail of the car's development top secret, and now a hundred or more photographers jostled to get the first shot. When chairman Ratan Tata, citing the first flight by the Wright brothers and the invention of the computer, pulled back the curtain on the newly named Nano, it turned out to be a four-seater, a bit more than three meters long, with a 642cc engine and made of plastic and glue instead of welded steel.

More than 1,000 people — journalists, VIPs and industrialists — packed an auditorium as Tata Motors Ltd unveiled its long-awaited "People's Car" to the media on 10th January 2008. For those wanting to feel India's economic self-confidence as it takes on the world, all they had to do was to experience the blaring music from "2001: A Space Odyssey" and the flashes of scores of cameras as the Tata Nano was driven out.

"A promise is a promise," chairman Ratan Tata said, as he announced a dealer price of Rs.100,000 (\$2,500) as pledged 5 years ago, even though commodity prices have gone up and despite rivals' claims such a knock-down price was impossible.

"Let me assure you and our critics, the car we have designed will meet all safety norms and all foreign environmental criteria," chairman Ratan Tata said as he proudly unveiled what had been dubbed as the "People's Car" at the 9th Auto Expo in New Delhi. With just 8 people in 1,000 owning a car in India, there is huge potential to upgrade bike and scooter owners, who bought about 7 million two-wheelers in 2006-07.

This strategy was formulated to influence the decision making of the target audience in favor of their new product /concept. The aspiration of millions of middle classes to own a car is an input for this strategy.

PRINT MEDIA ADVERTISEMENT

According to Rediffusion, the advertising agency handling the publicity and creatives of Tata Nano car, apart from the print campaign, there will not be any other television campaign in the near future as the Tata Nano is expected to roll out closer to the Diwali season. Rediffusion DY&R has lined up the safety and environment-friendly features of Tata Nano, by an all-India single-day national print campaign roll out at an estimated ad spend of Rs 4-5 crore.

"Tata Nano, in itself, is so amazing, was obvious by the reaction of the people at the launch in New Delhi .It's a celebrity of sorts and we will just have a national print campaign initially talking about the safety features among other things," Mahesh Chauhan, president, Rediffusion DY&R, told Business Standard. While exact advertising spends are not known but industry sources say that Tata Motors may initially allocate Rs 30 crore towards advertising and promotions in the first year. The low budget strategy has been deliberately kept as ample amount of coverage was done on the unveiling ceremony.

BRAND AMBASSADOR

It's too early, but the advertising agency source reveals that Tatas' are not keen on hiring any brand ambassadors for Tata Nano. Though Rediffusion bagged the Tata Nano account only recently, the agency along with its celebrity management arm, Showdiff, was working on the project since early November, sources said.

"The biggest achievement for us was the launch today. Even media in today's age could not find out any details of the car or its name etc.," Chauhan added. This shows that Ratan Tata was chosen as brand ambassador because the company felt that the fulfillment of the dream can only be assured with the authentic source.

PUBLIC RELATIONS AS A COMMUNICATION STRATEGY

Public relations involve the cultivation of favorable relations for organizations and products with its key publics through the use of a variety of communications channels and tools. Public relations offers several advantages not found with other promotional options. PR is often considered a highly credible form of promotion. One of PR's key points of power rests with helping to establish credibility for a product, company or person (e.g., CEO) in the minds of targeted customer groups by capitalizing on the influence of a third-party — the media. Audiences view many media outlets as independent-party sources that are unbiased in their coverage, meaning that the decision to include the name of the company and the views expressed about the company is not based on payment (i.e., advertisement) but on the media outlet's judgment of what is important. For example, a positive story about a new product in the business section of a local newspaper may have greater impact on readers than a full-page advertisement for the product since readers perceive the news media as presenting an impartial perspective of the product.

Let us take a close look at example of NANO, how public relations was used - as a distinct, identifiable discipline, without the benefit of other communications vehicles in building a brand and marketing a product. Number of marketing taglines were designed by media people to make the launch successful like :

NANO AS PEOPLE'S CAR AND DIFFERENT

Tagline: *Chhoti Car, Badhe Sapne* (little car, big dreams)

Positioning: "Small car for people with big dreams":

Rationale: The rationale for the pitch would essentially be that the new emerging India has a strong streak of ambition. So, this car is a dream for the great Indian middle- class. Though it is priced at Rs1 lakh, it is no less than a Ferrari for the people who will buy it as it gives them membership to an exclusive club, something that they had been waiting for.

Tagline: The Smart Car.

Positioning: As the intelligent machine.

Rationale: The Tata Nano lends itself to the interpretation of the brand as smart, hi-tech and intelligent. The aim would be to focus largely on the smart shape and design, the power, speed, pricing and mileage. All the advantages of being smart, and of having knowledge beforehand, which also comes from the Tata name. Tata is one company that knows the country and the Indian consumer more than anyone else.

Tagline: *Azadi Ki Dusri Lehar* (second wave of freedom).

Positioning: People's Car.

Rationale : What Bajaj Chetak did to personal mobility, what Air Deccan did to flying, and what Airtel and Reliance did to personal communication; similarly, Tata Nano is as a second freedom movement, as it would change the way family mobility is seen in India. The reason Ratan Tata thought of launch of a small car is the fact that an entire family, sometimes four people would ride on a bike together. Suddenly from that state, we are now going to one where people can afford a car and spend time together. It virtually frees them from a world of overcrowded trains, precarious rickshaws, from taxis they can't afford, and in the absence of buses, problems that many countries face across the world. It took an Indian company to recognize this problem and address it.

Tagline: Less is more

Positioning: The car would be positioned using the living philosophy of "Less is more" i.e, minimal use of resources for maximum living.

Rationale: We could have gone down the emotional route that Air Deccan and Maruti 800 went, many years ago. The Rs1 lakh car speaks for itself so we wouldn't pitch it as an entry-level car. We would, however, give it a contemporary appeal that starts a new philosophy for the country, an activist for new India that says "Less is more". It isn't just about a car, but about a way of life, a greater friendliness with the environment around us, less emission, more space, clean, simple design, that even a child can draw it. A paradigm shift in the way we look at cars and at life. And the communication for this product would also go by those values – no fancy large sized ads, no 60 second commercials. Just a simple, small and low-cost ad using minimal production. Below the ad we will run a line, which says: "We want to keep this minimal, so as to keep the Rs 1lakh cost as long as possible." Nano is a contemporary and instantly likeable name which represents a new consciousness and has label value. It has a sing-song quality that also makes it memorable.

So these taglines motivated the low income segment to accept that the NANO is their dream car and their dreams are not impractical. The car is within their reach as the car is *People's, Smart, Choti (small) car* meant only for them.

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