



Branding:
The path to
premiumness.

CASE STUDY

Background

Indus Steels & Alloys Ltd., established in the year 1998, manufactures and supplies construction steel to the retail market in Karnataka. The company has a unit near Hosur, with a manufacturing capacity of 5,000 metric tons per month.

In the year 2003-04, with the booming of the Indian economy and soaring requirement of retail, residential and technology-oriented commercial space, construction activity reached an all-time peak. Competition intensified, as many ailing steel industries were revived. Steel was also flowing in from other states due to relaxation of entry tax and introduction of VAT.

This led to traders becoming ever more dominant, and more discounts and other schemes were being offered to traders by the manufacturers. The consumer had no voice, since steel was more of a commodity.

Indus was effortlessly selling 3,500 metric tons per month at the market rate, and the remaining 1,500 metric tons was offloaded by giving incentives to the traders.

Marketing Objective

The need was felt to create demand for Indus products, at the same time commanding a premium price.

Key Issues on Hand

Indus was advertising for the first time.

The client had a miniscule media budget: Just Rs. 9 lakhs for a three-month campaign in Bangalore.

Indus had no USP. The product was just a commodity.

Research

Research indicated that the consumer was not really aware of quality issues, and was buying based on the architect's/ engineer's/ contractor's advice. Secondly, the consumer was wary of the malpractices committed by a few traders.

The consumer also treated steel as a commodity.

The consumer was aware of premium steel brands (national players), but found that the premium was way too high (about Rs. 2,500 to Rs. 4,000 per metric ton). Availability was also an issue.

The consumer was ready to pay a nominal premium for branded steel.

Target Audience

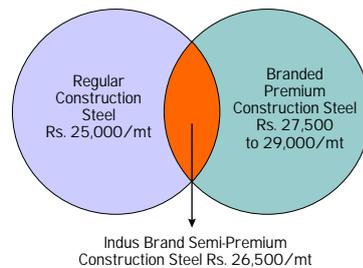
Primary: Individual House Builders (IHB) / SEC B+ & B / Male & Female / Age: 28 - 45 years / MHI > Rs. 50,000/-

Secondary: Architects, Civil Engineers and Contractors.

Consumer Insight

For the consumer, branded steel meant 'quality steel' but 'costly steel'.

Window of Opportunity



Strategy

Create a pull market, in a push environment.

Position Indus in the semi-premium construction steel slot.

Build Indus as a credible steel brand by primarily targeting IHB, and then address influencers and trade.

Establish Indus as a quality steel brand, which will lead to premiumness.

Communication Challenge

To brand a commodity and confer premium status on it.

Creative Brief

SMP: Indus = Strong & Durable = Quality Steel = The Right Steel!

Media Strategy

With clear focus on the TG, a media strategy was crafted to build the brand, employing OOH as the main vehicle.

Various consumer touch points were assessed, along with consumer behavior and buying patterns, as well as construction-active locations.

The mediums used were: Full bus-body painting, bus back panels, auto rickshaw back panels, goods carrier vehicles (especially steel carriers), shop frontage, wall painting, construction site branding and hoardings.

Apart from this, the product now carried the Indus brand engraved along every meter of its length.

It was also ensured that before dispatching the stock from the factory, test certificates and quality tags bearing the Indus logo were affixed.

Campaign Period

May to July 2004

Creative for the Campaign



Indus after the Campaign

A pull market was established, and the consumer asked for Indus steel by name.

The consumer accepted Indus as a branded thus quality steel product, and hence accepted the premium price tag attached to it.

Indus achieved enhanced demand; in the campaign's first month alone, a full two months' production was booked in advance!

Indus commanded a premium of Rs. 500 per metric ton in the first month, and by the third month a premium of Rs. 1,000 to Rs. 1500 per metric ton was accepted by the consumer.

Post-campaign Benefits

To meet the increased market demand for its product, Indus acquired an additional manufacturing unit in Athur, near Salem in Tamil Nadu, with a capacity of 3,000 metric tons per month.

Indus increased its media budget to Rs. 1 crore for the remaining 9 months of the year.

In the subsequent 6 months, the brand penetrated the Tamil Nadu market.

A year after the campaign, the combined manufacturing capacity of both Indus Steel units reached 12,500 metric tons per month, by optimizing manufacturing processes.

An exclusive Indus Steel Shoppe franchising model was introduced, for the first time in Karnataka, within a year of commencement of the campaign.

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