

TITLE OF THE PAPER: PUBLIC RELATIONS IN REALM OF BRAND STRATEGY- A QUALITATIVE STUDY OF LENOVO INDIA

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ABSTRACT

Public Relations play an important while introducing new brands. Most brands fail to command attention and market equity because they were introduced into the market place with advertising instead of Public Relations. Can we ever imagine putting a horse before the cart? What happens? Can we just imagine building a house without first laying the foundation? It exactly follow the same routine based approach & following sequential & logic steps for it. Advertising seems to be used by most companies to introduce new brands. Moreover a advertising budget is needed to maintain a brand is a costly affair, also only advertising won't get a new brand off the ground or out of the manufacturer's store. Undoubtedly PR plays a long-term role in creating a positive perception for new brands. We are living in a more information and technological conscious society where people do come across multi faceted commercial messages on hourly and daily basis. In order to lunch itself into limelight and create a chance in the much saturated marketplace, a brand must be able to generate and command positive word of mouth and more favorable publicity in the media amongst other things. Moreover, Brand strategy is a useful way to strengthen competitive competence of products. However, there is not enough research present & is not evident which show implementation of a successful brand strategy using public relations in the available & existing literature. The study & work is an effort to shed light & to develop a proper understanding about the role of Public relations in developing successful brand strategy by considering Lenovo India.

KEY WORDS: *Brand strategy, integrated marketing communication, Publicity, Public relations, Strategy implementation, relationship marketing, word of mouth.*

INTRODUCTION

PR creates the environment for brand activation, brand exhibition, brand education and brand after sales -services. It helps to create brand understanding & education and also build customer loyalty to the brand. Moreover PR is about building perception and managing reputation. It is the bridges that connect brand with customers it builds the relationship and sustain the perception. A strong brand is able to help a company differentiate itself from its rivals, stand out from the competition, influence a consumer's purchase decision in the company's favor, build customer loyalty and boost the company's financial performance. It analyses market trends and predict likely consequences to brand image and equity. In conclusion, today's brands are not built at the expense of the company (manufacturer's) reputation and not introduced at the expense of Public Relations. It is worthy to be considered that before PR used to introduce the brand, it needs to be ensured that the concerned brand is a ground-breaking brand, novel, unique, new and has a story to tell and is capable to convince everyone. The

brand strategy details how we identify your company with respect to its SWOT analysis. The public relations should support the brand strategy by using complementary channels and messages to reach prospective people who care about environmentally friendly businesses. The paper discusses the importance of a brand strategy for an enterprise, and then analyzes the functions of public relations. It has been found that there are benefits and advantages to use public relations in the implementation of a brand strategy. The researcher hopes that this paper can give some useful insight & suggestions for Indian enterprises when they are developing a brand strategy for global expansion.

STATEMENT OF PROBLEM

The basic problem regarding this study is that there are not many studies found focusing on the relationship between public relations and brand strategy. Most researchers perceive and think public relations as an ordinary way and one of the mode or tool of integrated marketing communication (IMC) only without exploring further applications and strategy thereby ignoring the real importance of it. Moreover how to integrate & combine public relations and brand strategy is seldom discussed in relevant books and articles. As a matter of fact that many overseas enterprises have a problem in implementing a brand strategy in their respective geographical boundaries indicates there is a need for an introduction of the function of public relations & its use for the implementation of a brand strategy.

OBJECTIVES OF THE STUDY

The study is based on the following research questions and in order to know that:

- a. How does a brand strategy combine with public relations?
- b. How to put public relations into the formulation and implementation of a brand strategy?
- c. What different forms of strategies are adopted while controlling its overall brand performance periodically?

PURPOSE OF THE STUDY

To discover the function of public relations in the formulation, implementation and control of a brand strategy in enterprises emphasizing Lenovo India. The research paper analyzes both the importance and functions of a brand strategy and public relations focusing on how to integrate them on a theoretical and practical level. Moreover, the purpose of the study is to provide some suggestions for Indian based enterprises on how to use Public relations when executing a brand strategy. Finally the lack of academic research in this field aroused the passion of researcher goes ahead in this vertical.

ASSUMPTIONS AND LIMITATIONS

The relevant source materials, source & resources are not enough especially in the area of a relation of PR to those with brand strategy of Asian researchers. Also contacting people of Lenovo India was a tedious process and it is a tough job to get the right people for the designed questionnaire. However few people responded for the study. So it will not give the desired picture for the overall branding strategy. The time constraint regarding questionnaire send & response received was also pretty long which limited the researcher to concentrate on the most famous researchers' theories and might neglect most other theories. This might lead the results to be too simple and general in a theoretical field.

LITERATURE REVIEW

The American Marketing Association (AMA) defines a brand as a "name, term, sign, symbol or design, or a combination of them intended to identify the goods and services of one seller or group of sellers and to differentiate them from those of other sellers.

In general, most companies thought that focusing on the latest and greatest advertising campaign meant focusing on the brand (Davis and Dunn 2002). The model itself was tactical and reactive rather than strategic and visionary (Aaker and Joachimsthaler 2000). The brand was always referred to as a series of tactics and never like strategy (Davis and Dunn 2002). 2.2.2 Now: Brand Building Models Kapferer (1997) mentions that before the 1980's there was a different approach towards brands.

Public Relations is the process of “building good relations with the firm’s various publics by obtaining favorable publicity, building up a good corporate image, and handling or heading off unfavorable rumors, stories, and events” (ZainBooks.com, 2011).

Branding is an investment that must be perceived as such and is required to deliver ROI and shareholder value like any other feasible business activity. It must appear on the left side of the balance sheet as an intangible asset and its value is subject to change upward and potentially downward. A strong brand is defined and characterized by the dimensions in Table 1.1.

TABLE1.1 Nine characteristics of a strong brand

1. A brand drives shareholder value
2. The brand is led by the boardroom and managed by brand marketers with an active buy-in from all stakeholders
3. The brand is a fully integrated part of the entire organization, aligned around multiple touch points
4. The brand can be valued in financial terms and must reside on the asset side of the balance sheet
5. The brand can be used as collateral for financial loans and can be bought and sold as an asset
6. Customers are willing to pay a substantial and consistent price premium for the brand versus a competing product and service
7. Customers associate themselves strongly with the brand, its attributes, values and personality, and fully buy into the concept which is often characterized by an emotional and intangible relationship (higher customer loyalty)
8. Customers are loyal to the brand and would actively seek it and buy it despite several other reasonable and often cheaper options available (higher customer retention rate)
9. A brand is a trademark and marque (logo, shape, color and so on) which is fiercely and proactively protected by the company and its legal advisors

Source: VentureRepublic

RESEARCH METHODOLOGY

Data and sample

For data collection regarding theoretical basics and review of literature, library studies, required articles and books were used.

Deductive research approach has been used which includes various secondary data collection methods. The Data has been collected from various Published & Unpublished Journals, Articles, Magazines, and information available in various popular and related websites, popular Journals, Text Books etc. which focused on various aspects of PR and brand strategy.

Primary research has been done through mailed questionnaire and accordingly responses has been recorded and analyzed. Following people have been contacted for the purpose of filling up of questionnaire via mail:-

Mr.Shailendra Katyal, Director of E-Commerce, Strategy & Analytics

Mr.Rajesh Lakhani, Head Services Support

Ms.Poornima Matthan, Communications expert

Ms.Nedah Shah Savio, Public Relations expert

Ms.Surabhi Patodia, Public Relations expert

Mr.Sudipto Ghosh, Executive Director- Service and Support

Result of the mailed questionnaire

Question 1: What make Lenovo to venture in India despite having Chinese origin?

Answer: In 2005, Lenovo set up a manufacturing plant at Pondicherry with 5,00,000 units. Lenovo India's major challenge was that not many people knew about them, those who did, connected its positive perception with IBM and negative perception with Chinese origin. Three phase approach was adopted for growth. In the first phase continuity of association with IBM was assured to the customer, product line expansion in the second phase and the third phase was on widespread advertising and branding. Lenovo India stuck to the policy of "getting close" to customer through technology and not price.

Question 2: How did Lenovo India acclimatize challenges & competition in the initial stages?

Answer: HP and Dell are in a close competition for number one spot in the India PC market. In the fall of 2011 Lenovo overtook Acer & gained on HP & Dell. Key Challenges of LENOVO during initial stages: Brand Building Challenges, Chinese counterfeits of IT products & components, Intense Competition, Cost-Cutting is the only solution to profit margin, Proliferation of technologies etc.

Lenovo India faced various challenges in the initial stages: high rate of attrition after the end of the lock in period with IBM, post-recession effects in 2008 such as employee insecurity and dismay and a specific issue with the Indian government over an erroneous display of the geographical boundaries of India on the wallpapers uploaded on its ThinkPad. Lenovo faced competitors like HP, Dell, and Acer. Lenovo started various promotion techniques, including celebrity endorsements, placement of their products in TV shows and movies, and online brand building via blogs with their focus on youth for their retail business, high number of young educated individuals and a relatively low PC penetration.

Question 3: Should Lenovo continue or not with its current strategy redefining its perception among its stakeholders in India so as to capture a bigger market share?

Answer: The entry of Lenovo in the Indian market where the problem was compounded by perceptions of IBM connection and Chinese origin. It followed the innovation strategy approach to gain the market share. Following options can be evaluated. Continuing with their existing innovation strategy Lenovo's innovation strategy proved pretty fruitful for them. The company saw a tremendous growth in their market share due to this.

Their approach to mobile internet and cloud computing helps client leverage new computing trends to gain sustainable business edge. But as the market competition intensifies due to ultra-fast changing technology, they should also try out new strategies apart from this.

- Maintaining consistency in product value
- Lenovo can improve the value of the product across all the different products that it offers.
- They should focus on improving the customer perceived value of their product
- They can improve the customer relationships through enhanced services
- Adopting a new marketing campaign
- Lenovo should adopt new varied marketing campaign
- They can also target different segments and not only the youth segment But this can backfire and affect their overall brand.

Question 4: What different criteria are used & adopted for Measuring Lenovo India PR Effectiveness?

Answer: Marketing and Partnership with world-class events and exhibition i.e. Olympic Games, World Cup, or even NBA in US, Donations, Social Responsibilities Program globally to gain good corporate image. Moreover through the following activities we used to measure the efficiency & effectiveness of PR :-

Total number of impressions over time, On the specific target audiences, Percentage of positive or negative articles over time, Ratio of positive to negative articles, Percentage of positive and negative articles by- Subject, Publication, Reporter, Target audience and others.

Question 5: How Lenovo, as a state-owned Chinese company, could prevent the negative viewpoint as endanger to transnational country or host country security?

Answer: Brand Portfolio Strategy- Focusing more on “Product brand” rather than “Corporate Brand” PR & Sponsorship/CSR Campaign Focus on “Quality” and “Innovation”-Build key competencies on quality and innovation to overcome state owned Chinese company image and narrow the gap of country of origin effect Household PC market in US- Better penetrate to household PC market segment in US where low loyalty to US origin brand and concern more for affordable price and efficient features .

Question 6: How to build a “global brand” in a highly commoditized PC industry and to cope with Counterfeits?

Answer: Following strategies are adopted in order to cope with the counterfeits:

- Continuously deliver new innovation to its products -R&D investment
- Building Brand loyalty-Trust in quality
- Secure intellectual property when outsourcing more operations to suppliers partners-Transition of technology and know-how to suppliers should be done appropriately

Question 7: How to sustain in Global Competitive arena?

Answer: In the fierce competitive arena LENOVO is surviving & sustaining through:

- Maintaining competitive advantage on low cost-maintaining competency in SMEs
- Continue with global brand image-transfer company expertise to cross border market
- Make use of the strong B2B market to expand to B2C market
- Quickly adapt to any customer change
- Forecasting System
- Risk Management: Sensing and Responding
- Known-Unknown Risk
- Commitment Review by Executive Management
- Preparing for collaborators turning to competitors, Foreign governments and Exchange rate fluctuation

FINDINGS

Brand strategy development of Lenovo India

Relationship model: acquire IBM PC division

Transactional model: become tech-sponsor for Turin & Beijing Olympic games, partner with NBA, offer both ThinkPad and Lenovo brand complement the product offering

China-based supply chain model: fulfills every order on time with better IT system

Lenovos current advertisements focus on their “green” computers. They also focus on Lenovo’s new high tech face recognition software. 61% of people searching Lenovo online are male. Age of the people searching Lenovo

31% are 18-34

33% are 35-49

28% are 50+

The majority of the people searching for Lenovo are graduates or post graduates. Really target incoming freshman in college. Use humor to catch attention of college students. Come up with a witty slogan. Make some very visual stimulating online advertisements. Continue running advertisements about their “green” computers. This campaign will rely heavily on social media. A blog will be set up for people that have Lenovo computers and love them. This is to optimize word-of-mouth More websites and key AdWords will be added to create a better SEO It will also use

Google advertising tools to monitor their progress. Because we are focusing on using social media to gain reach, the budget will be very low. The timeline will be based on peak times of personal laptop purchases. Fall; when students are getting prepared for college. Evaluation: Number of Facebook and Twitter followers, and also Google Analytics. This campaign will rely heavily on Social media to target students and other online users. This will help to drastically increase Lenovo's reach. By creating more eye catching visual advertisements; people will be driven to go to Lenovo's website. By using SEO, the effectiveness of this campaign will increase greatly, and will also make it easier to track.

SCOPE FOR FURTHER RESEARCH

Limitations of this study include those commonly associated with mailed questionnaires, including convenience sampling procedures and low response rates. While representativeness can always be improved, for the present research great efforts have been made in order to have a higher response rate for the sample. The choice of the sample and the measurement of the variables used could be better if some other company has been taken into consideration. Regarding the sample choice, this study presented responses gathered from FEW employees of Lenovo India only. Moreover the other limitation is how these two variables are linked. Albeit this paper analyzed it not in an elaborative way, the quantitative analysis of the concrete function ways of and the effectiveness of their combination necessitate for lots of research data and scientific survey. Therefore, this paper can only emphasize qualitative analysis, construct a logic reasoning structure and prove it simply. These shortages should be improved in the further research. In order to determine the applicability of my idea on public relation and brand strategy, further research should be concerned with the following issue: more cases and interviews need to be carried out to support the idea. The scope of cases should be wider with a possibility of comparing the successful samples and failed samples.

PRACTICAL IMPLICATIONS

Using public relations in a brand strategy is very important for enterprises. Public relations contribute enterprises to get valuable information, to propagate products and brand, to build good image, and to establish consumer loyalty etc. As a result, the brand equity as well as competitive competence will enhance. What I feel that my idea of using public relations function in each stage of brand strategy is helpful for enterprises to make use of public relations in their brand strategy. I do believe that my idea in the research will be beneficial for enterprises, especially for enterprises operating in India to build strong brands as well as to improve their business management at large.

RECOMMENDATIONS FOR LENOVO INDIA

Lenovo should continue with their current innovation strategy which has been acting as a boon for them.

Following steps should be undertaken:

1. Keeping up with the latest technology: They should keep up with the latest technology and keep ahead of their competitors.
2. Focus on new innovations: R&D should be given much preference and they should bring out new advanced products from time to time.
3. Market the concept models: Various concept models that are yet in their vault, should be marketed. It's an era of innovation and new technology variants are highly welcomed.

Maintaining consistency in product value:

- i. Lenovo should focus on improving the product value. Better services should be provided to the customers.
- ii. Customer relationship management should be given high preference and different customer satisfaction models should be adopted to gain customer loyalty.

CONCLUSIONS

A strong brand is able to help a company differentiate itself from its rivals, stand out from the competition, influence a consumer's purchase decision in the company's favor, build customer loyalty and boost the company's financial performance. Branding is one way out of commoditization and its consequent profit erosion. It is a process requiring long-term commitment, and profits need to be sacrificed in the short term in order to build a strong brand. In the Asian context, this is very evident as it is shown in the study about Lenovo India. Branding is seen as a cost center for many companies and is driven tactically at a low level of the organization. More often than not, advertising and promotion are the core activities driving efforts to build brands. Branding, as Martin Roll discusses vividly in the book, is still not fully appreciated at boardroom and senior management level. Beyond that, the inherent characteristics of Asian companies, many of them family owned, have resulted in a short-term view on return on investment for branding. Companies need to realize the strategic importance of branding. This calls for Asian boardrooms and management teams to take charge of the branding domain themselves. A strong brand strategy can add significant

value in terms of helping the entire corporation as well as the management team to implement the long-term vision, create unique positions in the market and, not least, unlock leadership potential within the organization. Such a view, while not entirely flawed, will not help companies build a profile that is strong enough to compete in the international arena.

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APPENDIX A

Lenovo India Brand Department

Hi

I am a University teacher and carrying out a study about the relationship between branding strategy and public relations. On 10th July 2015 I have talk with Mr. Rajesh Lakhani via the receptionist about some valuable information about your brand management that is very helpful for me to write this research paper.

Through this letter I am intended to get further information about how you improved your brand strategy through public relations in Lenovo India. Nine questions were asked in the questionnaire and hope you can answer the question based on your practical exposure & experience while associated with the company. I make sure that all information collected from the questionnaire will only be used for my research work and NOT for any commercial application or merchandise and will be kept confidential. Please note that all the answers to the questionnaire might be given from the perspective of public relations.

Thereby requesting you to kindly fill and finish the questionnaire and send back in the email id through which it will send.

Thanks a ton for your precious time and feedback!

Yours sincerely

Monirul Islam

APPENDIX B

QUESTIONNAIRE

Question 1: What make Lenovo to venture in India despite having Chinese origin?

Question 2: How did Lenovo India acclimatize challenges & competition in the initial stages?

Question 3: Should Lenovo continue or not with its current strategy redefining its perception among its stakeholders in India so as to capture a bigger market share?

Question 4: What different criteria are used & adopted for Measuring Lenovo India PR Effectiveness?

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Question 7: How to sustain in Global Competitive arena?