

# Developing Brand Equity Through Consumers – Unfolding The Case Of Parle – G and Its Success In India

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## **Abstract**

*Today's business world is highly evolving and the greatest challenge that companies face is staying relevant and sustaining in the intensely competitive marketplace. The food industry in India, especially the biscuit segment, has witnessed a surge over the years, beckoning marketers to formulate strategies that enhance brand value. According to the market research report by Blue Weave Consulting the Indian Biscuits Market is growing at the CAGR of 12.4 % and touched USD 5,151.2 Million in 2020. The market is expected to reach USD 11,792.3 Million by 2027. Attracted by growing consumer demand and profits in this sector several brands such as Parle – G, Britannia, SunFeast, Priya Gold, Horlicks, Biskfarm and others contest for market share and consumer loyalty. In such a scenario gaining competitive advantage and being the customers' preferred choice over competitors requires companies to focus on building brand equity. The present study aims at analysing the essential aspect of Brand equity for an Indian grown indigenous brand namely Parle G by using Keller's Customer-Based Brand Equity (CBBE) model. Parle G, a name that has withstood in the Indian food market for ages, despite intense competition and changing consumer tastes and preferences is ideal for the current study on Brand equity. The findings of the study will decipher how the company has leveraged its brand equity to translate into benefits such as enjoying consumer goodwill and loyalty and thereby increasing its relevance in the market over the years.*

**Key words:** Competitive advantage, Brand Equity, Consumer Preference, Brand loyalty

## **Introduction**

The Indian Biscuit Market is growing significantly due to changes in consumer taste and preferences.

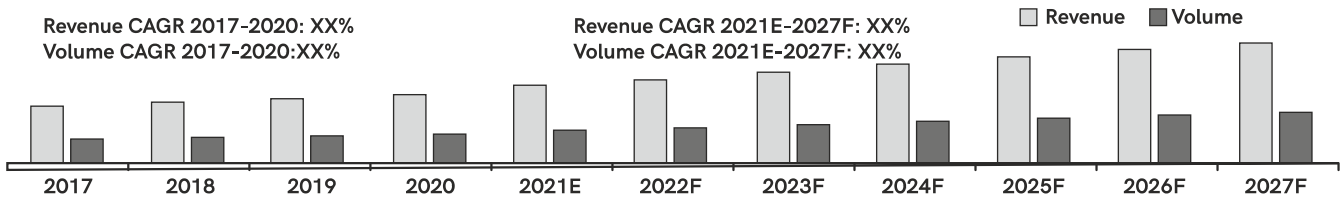
Consumers nowadays are becoming more health-conscious, which is increasing the demand for convenience food. Moreover, an increase in the availability of various types of biscuits, as well as an increase in per capita household income, are some of the factors that are contributing to the market's growth. Attracted by the intensely growing market several players have launched their brands to delve into the hearts of the Indian consumer. However, though this segment has tremendous growth potential but at the same time spawned up a highly competitive market that making it difficult to gain to secure a niche and sustained competitive advantage. To win in this category, focused marketing efforts on building and sustaining brand equity is the need of the hour.

Source: 6 W research

India biscuit market revenue size is projected to grow at a CAGR of 9.0% during 2021-2027. The demand for biscuit would increase on account of increasing demand for healthy & nutritional ready-to-eat food products and manifestation of demographic window in forthcoming years. Furthermore, varieties of biscuits and innovation in taste such as fruit biscuits, cream biscuit, sweet biscuits coupled with increase in demand during festivals such Diwali and Ramadan would bolster

demand for biscuit segment over the coming years. (6W research, 2022).

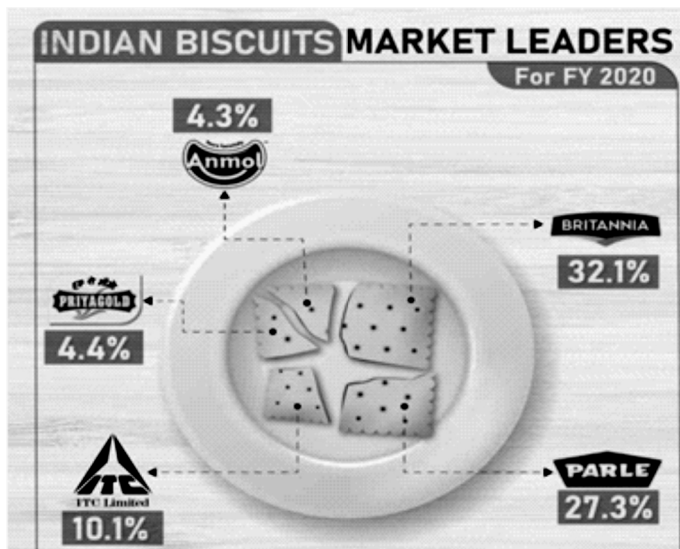
**India Biscuit Market Revenues and Volume, 2017-2027F (\$ Million, Units)**



**Market share of Top biscuit brands in India**

The biscuit manufacturing sector in India has tremendous growth potential giving consumers ample choice to select from a wide range of flavours and biscuit types. The market share is dominated by few top brands that have clearly define brand attributes that not only make them the customers’ preferred choice but result in gaining sustainable competitive advantage in the industry over decades.

GRAPH 2 showing market leaders in the Indian biscuit industry



(Forbes, 2020)

**Leading biscuit brands in India**

**Britannia Biscuits**

Since its inception in the year 1892, Britannia has scaled its way up to becoming the highest seller and most popular biscuit brands. Brtiannia, makers of iconic offerings as Marie Gold, Milk Bikis, Good Day

and Bourbon have been able to draw consumers from all age groups and segments.

**Parle -G Biscuits**

Staying the market for more than 90 years and offering more than 150, Parle - G is one of the oldest biscuit brands in India. The brand is a preferred choice among all age groups and has been successful in developing an emotional connect with the Indian consumers. Parle G s’ affordable pricing, widespread availability even in the remotest parts of India and powerful branding has contributed to its sustained leadership in the biscuit market despite threat from competitors.

**ITC Sunfeast**

ITC, a brand synonymous to tobacco managed to grab a significant portion of the attractive biscuit market by offering a wide range of biscuits, creative branding strategies and powerful distribution network. Despite being a late entrant, the brand has been successful in posing stiff competition to the stalwarts who have been dominating the biscuit industry for decades namely Parle -G and Britannia.

**Surya Food Agro ltd**

Millions of Indians have grown up eating Priyagold Biscuits over the past years. Priyagold has now become synonymous with India’s favourite biscuits. The brands ‘business strategy is to provide a quality product at a minimum price, especially targeting the middle- and lower-middle class that wanted to eat quality biscuits but couldn’t afford higher prices. Priyagold offers popular brands that include Butter Bite, CNC, Snacks Zig Zag & Marie Lite enabling the company to gain a

sizeable market share in the biscuit industry, despite the fierce competition from the established players. The World class manufacturing facilities, brand building and distribution efforts have contributed to making its presence felt in the Indian market.

**5. Anmol**

Yet another player in this segment is Anmol brand of biscuits. A brand that has successfully leveraged its brand presence, strategic supply chain, diversified product portfolio and consequent value proposition for reaching out to maximum household

**Brand Equity and its significance for Biscuit brands**

With competition being intense in the biscuit industry and brands continuously evolving their marketing strategies for sustaining their positions in the market, brand equity is important. Though Brand equity is multi faced, the term primarily describes how the brand is perceived and valued by consumers, it contributes to winning the hearts of the target audience and their loyalty. Positive brand equity translates to greater return on invests, higher customer retention rates, boost profit margins and turn customers into brand ambassadors. Keller’s Customer- Based Brand Equity (CBBE) model. Is a pyramid that is integral in understanding what a strong brand should have and how it can create value for companies operating in the biscuit industry. Hence focusing on how to create positive brand equity thereby ensuring value in customer encounters or experiences with the brand is integral for in the biscuit industry. With the Customer-based brand equity (CBBE), the study focuses on how a brands survival and success can be directly to consumer perception and attitude towards the brand.

The Keller’s model is based on the simple logic that – building positive brand equity is based on the experiences that customers have with the brand. Hence constructing ideal brand encounters or experiences is based on 4 levels of Keller’s CBBE work which includes:

**Level 1: Brand Identity (who are you?)**

How do consumers perceive you brand and how is it

distinguished from others by exploring the words and images buyers associate on hearing the brand name? Brand identity quantifies the breadth and depth of customer awareness of a brand.

**Level 2: Brand Meaning (what are you?)**

Once customers become aware of your brand, they’ll want to know more about your product. Level 2 is split into two categories: Brand performance and Brand imagery.

**Level 3: Brand Response (What are the feelings for the brand?)**

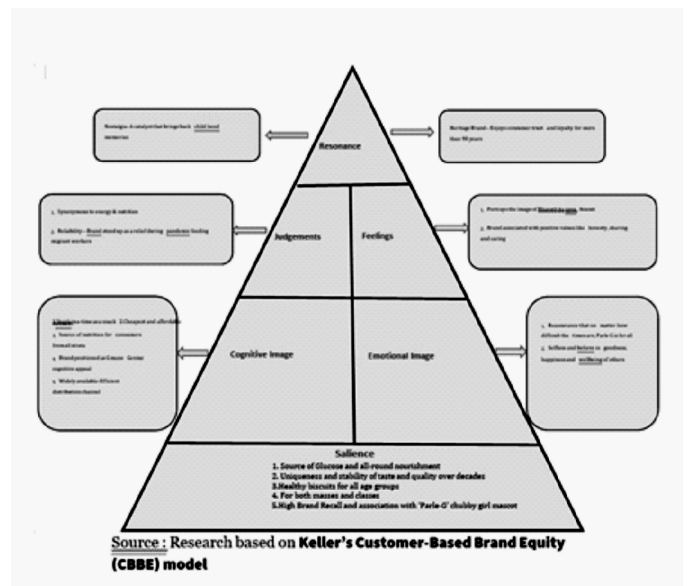
On this level of Keller’s model, judgment and feelings can be hard to separate and are intensely personal for each individual customer

**Level 4: Brand Resonance (a strong relationship)**

The apex of Keller’s CBBE model is resonance: when a customer is loyal to a brand, considers it superior, will buy no other and advocates its merits to other

**Keller’s Customer-Based Brand Equity (CBBE) model. Is a pyramid**

Based on Keller’s model on consumer-based brand equity, a pyramid identifying various dimensions of brand associations for Parle G sustaining in the market for over decades and enjoying customer loyalty.



### Parle G's building on brand equity despite the COVID 19 pandemic

In recent times where most brands were struggling for survival, Parle G biscuits witnessed an increase in market share by 5%. It also clocked its best sales level recorded in eight decades. The lockdown turned out to be a huge opportunity for Parle-G and the brand left no stone unturned to grab it.

There were 5 major factors that contributed to the dominance of Parle G brand even during the pandemic: Longer shelf life and the packaging of Parle G - Due to the uncertainty surrounding Covid 19 people started stocking up their homes with simple essential food items. The long shelf life and the good packaging made Parle-G the customers ideal choice and in turn raising the demand for the product.

**Affordable Pricing:** Parle-G has always has been able to sustain itself in the market for years due to its low-cost strategy. Parle G value packs of 2 Rs and 5 Rs came in handy for many migrant workers who walked back hundreds of kilometers to reach their villages in the wake of Covid-19 lockdowns and travel restrictions. Indians who could not afford to buy bread could still afford to buy Parle biscuits making it truly Bharath ka Apna Biscuit (India's Biscuit).

**Efficient Distribution system:** Changes like increasing production units, forming more depots, were made by the brand thus making the distribution system more agile to tackle any shortages during this pandemic. When there was a shortage of most of the goods in the market, Parle-G ensured it did not stop production of its biscuits ensuring easy availability, be it a super market chain or local mom and pop stores.

Branding and advertising focusing on digital mediums -The lockdown has pushed even a traditional brand like Parle to embrace digital and explore the options available to reach out to its customers. While keeping its core 'Genius' at the center, Parle-G slightly shifted the communication from 'Kal Ke Genius' (for the Geniuses of tomorrow) to 'Genius Badal Raha Hai' (Geniuses are changing). To 5ndiatimes on growing influence of digital spectrum, the brand joined hands

with Taproot Dentsu and became digitally active. 'Aaj ke Digital Geniuses ke liye' (for the digital Geniuses of today). Parle G announced its partnership with the film, 'Shankuntala Devi' with the launch of a new co-branded video on Amazon Prime Video which will be promoted on OTT and digital platforms. Featuring the lead actress of the movie, Vidya Balan, the partnership amalgamates the brilliance of Shakuntala Devi, a mathematics genius with Parle-G to emphasize how Parle-G has nurtured 'Genius minds' since ages.

Inclusion of Parle G biscuits in donation kits of NGOs and welfare organizations-The biscuit was positioned as a cheap source of glucose in the food relief packages, further building positive feelings of consumer trust and reliability surrounding the brand.

It isn't easy being India's default biscuit and ensuring growth in times of pandemic. Parle G is an iconic brand which has been able to achieve this through its simple but effective moves in the market.

### Conclusion

Building Brand Equity in current times involves changing focus from return on investment to return on involvement with the customer. Brand equity is important for marketers as it determines the prime reason why customers choose a specific brand over other similar companies. Brand equity is not only about the brands' logo and values of the company, but more about the trust that customers associated with the brand.

The brand Parle G has been building and maintain its brand equity over the years by maintaining quality and reliability as expected by their loyal customers. The company's marketing message also plays a crucial role in enhancing brand equity. Parle G established a brand connect with consumers of Indian households, especially through its brand mascot the Parle G chubby girl, but at the same time evolving its marketing strategies over a period of time. The recent marketing moves taken by the company to retain its position even during the pandemic, has resulted in the company increasing its market share and customer loyalty. Brand equity therefore is an important element of any

company's marketing strategy and therefore requires continuous investments in the brand to enhance its value.

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