

BRANDING AT MEWAR RUGS

RITU SINHA

*IES Management College and Research Centre,
Bandra, Mumbai*

ABSTRACT

The case discusses about the Company, Mewar Rugs known for high quality hand woven rugs exporting majority of the US and the rest of the world. The unique selling proposition (USP) of the company is hand woven carpets which depend upon the creative designs and workmanship of the weavers. There is huge demand for their finished products in developed countries and are primarily supplying their finished products to the exclusive showrooms and outlets of premium luxury home decors. They have tied up with some leading designers that are helping them to build their brand on the concept of co-branding. The process of manufacturing is highly labor intensive where the majority of the processes is done by the weavers manually. The company is investing a huge amount of resources in the process and infrastructure. The company is also doing well on sales front but lacks innovative approaches of marketing. This may endanger the competitive advantages of the handwoven carpet in coming time at global arena. This case is an attempt to discuss whether Mewar Rugs needs a new brand identity and how its image is significantly important for this kind of product where demand exceeds the supply.

Keywords: *Carpet industry, hand woven carpets, branding, brand identity*

Introduction

Indian carpet industry is an age-old, well established sector employing more than two million rural artisans. It caters to the demand of the people from the developed countries which absorb 88-90% of Indian carpet exports. USA and Germany constitute two largest markets for carpets together that account for the 76 percent of India's exports. This sector is quite export oriented item and is very much dependent on the overseas demand which stimulated carpet production and exports. As a result, exports which were worth around 3 crore in 1947-48 and 11 crore in 1970-71 registered manifold increase and exceeded Rs 3,600 crore in 2006-07. But after 2007-08 there is a sharp decline in export due to the

worldwide economic recession. Indian carpets are famous for their hand-knotted woolen carpets, tufted woolen carpets, chain stitch rugs, pure silk carpets, synthetic carpets, handmade woolen dress. There is a huge market demand for these kinds of products in the market of Europe and America. Indian carpet industry has a great potential for growth. But, the presence of lesser innovation techniques, outdated technology, labor law issues and lack of infrastructural facilities are some of the barriers that inflict this industry.

Carpets have always been seen as important symbols of status that have a functional value and social value. Globally, it is the product that has a complex set of values where it is considered as a work of art, subset of luxury. The term carpet is derived from the Old Italian capital, meaning to pluck and this term is often used interchangeably with the term "rug". It adds warmth, comfort of the given area and customers can choose from various styles, patterns, fibers and textures. Carpet is made of animal fibers like wool or synthetic fibers like rayon dacron, polyester, nylon or polypropylene and it can be a combination of these also. But the majority of all of the carpet made today is made up of synthetic fiber. The good quality of wool that is used in carpets is primarily from New Zealand, Argentina, and the United Kingdom.

The carpets can be differentiated with respect to the material of production, the colors, the structure, design and methods of production. The quality of carpets depends upon the choice of materials with respect to the warp (the longitudinal threads of the textile backing), the weft (the latitudinal threads of the textile backing) and the pile. If the material is an animal fiber like silk, it demonstrates a fineness and brilliance and an intricacy of design consistent with a high knot count. These carpets can be expensive and have a limited functional value. But if wool is used in the carpet making, it enhances fluidity of design and tonal warmth depicting how wool interacts and takes dyes, either chemical or natural. The quality of the wool also depends upon the part of the body from which it comes, the time of year at which it is sheared and the nutrition of the sheep. In some cases, cotton is also used that has more stable and reliable properties.

The colors of a carpet are dependent on the dyestuffs that are used, the type of wool that is being used, the dyeing process and the kind of wash that is applied after the carpet is finished. Initially this process of dyeing wool was done with natural vegetable dyes extracted from a wide range of plants and minerals. This was followed up with the use of chemical dyes. Differences in the shades of color also depend upon both

the dyeing process and the type of wool. The composition of the carpet hinges on the way in which the loops of wool are tied or knotted around the warp strings and are anchored in place by a weft string. These carpets fall into two categories: Tufted carpets and Woven carpets. Tufted carpet is made by punching the pile yarn into a pre-formed woven primary backing fabric using needles and then applying a secondary backing fabric with latex. Woven carpet is made the traditional way weaving the front and back of the carpet simultaneously and is consequently more labor intensive. It offers extremely good pattern definition and dimensional stability.

Company Profile

Mewar Rugs are known for the handmade area rugs, including the hand knotted, hand tufted, and flat woven styles catering to the customer's needs and capacity. The USP of the company is the creative designs and quality of its finished products. This makes the brand Mewar rugs as a first choice around the world among the hand woven category of carpets. In addition to this, it facilitates its customers to design their carpets with their own creations and customize the products in accordance with the demand. The company has a network of around 30,000 skilled artisans in rural India that gave a major support for their operations. It has a network of 35 branches having 8500 plus weaving looms, 250 workstations, export to 10 countries, 75 in-house designers and livelihood to 30,000 plus artisans. With its base of operations in Udaipur city, the brand takes the artistic craftsmanship of hand-woven rugs to America through its unit in Philadelphia, Herndon and representatives across USA and Canada. In the 2011-2012 fiscal year, the company shown a turnover of around \$25 million (Rs 100 crore) and working towards the achievement of \$250 million over a period of the next ten years. Mewar Rugs comprises of four sister concerns: Mewar Rugs Company (MRC), Madura wools (MW), Mewar Rugs Incorporated (MRI), and the Mewar Rugs Foundation (MRF) that work in an integrated manner to support its sales in developed countries and Production and operations in India. MW takes care of procurement of wool from Bikaner that is considered to be the biggest Wool market of Asia. MRC undertakes various production stages spread over places like Uttar Pradesh, Jharkhand, Bihar, Gujarat and Rajasthan and complete the finishing process in the showroom in Jaipur and New Delhi. Then it ready for dispatch to the various parts of the world. MRI is headquartered in Philadelphia and Herndon that take cares of distribution, marketing and sales for the United States. MRF is a nonprofit organization which is founded with the objective of empowering the weavers and improving their standards of living.

Mewar Rugs is involved only in the export of carpets to international markets. Initially MRC was catering to the demands of the US customers comprising of 95 percent of their sales. Further responding to the demands coming from other parts of the world like Russia, Germany, Turkey, they started concentrating on these markets and started catering the demands of these countries which currently constitutes 25 percent of their production. Marketing head of the company feels that the organization has been successfully able to offer products as per the changing tastes and preferences of the international customers. A decade back, customers looked for complicated and congested designs with darker shades and bigger sizes. But with the changing time, customers looked for more contemporary, open designs and color schemes matching their interiors. Now size varies from 9x12, 10x14 to 8x10, 9x6 etc. He also felt that it is high time to shift the focus of raw material from animal fibers as a raw material to natural fibers like cotton yarn, jute and bamboo fibers and synthetic fibers like polypropylene, polyester.

Mewar Rugs has been conferred with various awards for their involvement in the business and society. It has been awarded Star Export House for the remarkable export performance. It has been awarded with ISO 14001 for reducing the negative environmental impact. The company refrains itself from the use of Azo dyes that are harmful to the environment and is banned in the US market. The company has been awarded with ISO 9001:2008 for its quality production standards. The company has also received Social Accountability Standard (SA 8000) for decent working conditions, developed and monitored by Social Accountability International (SAI).

Production

Mewar rugs had grown from two looms and 9 artisans to 8500 looms and 30000 artisans. Majority of artisans is illiterate women from backward classes residing in the remote villages of India. The weavers collectively gave annual production of 5000 million square feet of all kinds of rugs. Rugs are produced in various categories and varieties of textures primarily cotton, wool, silk, polyester, natural and protein fiber etc. The production process is a complex system that begins with the extraction of wool and ends with global distribution of the finished product. The production process is a comprehensive system of quality control and company owned logistics. The rugs are produced by 28,000 rural artisans across seven states in north and west India, supported by over 12,000 additional production workers and a comprehensive system of quality control.

The primary raw materials required by Mewar are wool and silk. The wool is primarily sourced by sister concern, Madura Wools, Bikaner and silk are mostly imported from China. Once the raw wool purchases from the auction at different villages of Bikaner, it is sent to the company warehouses for sorting, blending and storage. Most of time, this work is carried out by women folk and they are paid on the basis of output. This is followed by Carding process that brushes the raw wool to prepare it for spinning. During this process, these fibers are separated, unwanted matter falls out, and then these fibers align together with the help of hand or by machine. However, hand-carded wool is preferred as it makes the best quality. After the wool has been carded, it is ready for spinning. High quality rugs need yarn that has a consistent thickness and this is achieved by a good spinning technique. This spinning process leads the production of hanks of wools that are sent to Bhadohi for the dyeing process. The dyeing process takes an average of two to three days before it goes to the spindles making. After the yarn has been made into the spindles, it is kept in storage at the corporate offices until it is transported to weavers with the design map to one of the 7500 looms across various parts of India. After coming off the loom, all rugs are transported to one of four finishing centers in Mewar. At the finishing centers, techniques are employed to fix mistakes and accentuate highlights of the design. In addition, final cleaning and inspection takes place before the rug is prepared for export.

Carpet Industry and Branding

Indian handmade carpet industry occupies a significant position in the world handmade carpet industry and has a share of 1 percent of the total global demand of carpets. While Indian wool is ideal for carpet making, imported wool is usually blended with local varieties of coarser wool to prepare woven and knotted carpets (Mishra, and Raju, 2010). The handmade carpet sector has shown great improvement in relevant areas like competitiveness, capacities, delivery time and standardization. The success in export markets is dependent on the changing nature and the person's attitude in international environments. The literature on international performance is probably one of the most widely researched yet least understood areas of international marketing (Sousa and Alserhan, 2002). But marketing is that important activity that is required even if you demand is on the higher side of the given product. According to the Day's (1994) marketing capabilities are defined as complex bundles of skills and accumulated knowledge, exercised through organizational processes, which enable firms to coordinate activities and make use of

their assets. Thus, marketing capabilities are firm-specific and provide superior market sensing, customer linking, and channel bonding capabilities and, as a consequence, can be key to success in international markets. Johanson and Valhne's (1977) research suggest that marketing capabilities can help firms to adopt higher international commitments and that international commitment influences international performance. Marketing capabilities facilitate knowledge of customers, product development and adaptation, as well as meticulous manipulation of key marketing tactical elements to target foreign customers with quality, differentiated goods.

The development of brands on an international basis offers opportunities for capitalizing on economies of scale, developing global markets and pursuing multiple market segments (Barwise and Robertson, 1992; de Chernatony et al., 1995). Exporting is one of the options that poses the least risk and uncertainty, but has the least potential to generate profit when the venture becomes a success (Kim et al., 2002). It represents a viable strategic option by which firms can internationalize and has remained the most frequently used foreign market entry mode (Zhao & Zou, 2002). With direct exporting, however, the producer firm does not use home country middlemen, although it may utilize target country intermediaries (Osland et al., 2001). The environment helps in shaping the context of business. The firm's export competitive advantage stems mainly from the external analysis of competition in the target export marketplace (e.g. Porter, 1985; Das, 1994; Lim et al., 1996). Many successful exporters react to environmental conditions by developing marketing strategies that create a "fit" between the firm and external environment (e.g. Samiee and Roth, 1992; Zou and Cavusgil, 2002).

There is not much literature available for the export marketing. With the exception of Zou et al.'s (2003) work on the effects of marketing capabilities on performance in the context of Chinese exporters, there is a paucity of research on the antecedents of branding advantage and its subsequent performance outcomes in the export marketing field. But branding and its equity plays an important role for high involvement products by integrating it with status, emotional characteristics and subjective qualities. The brand equity have been long recognized as a top management priority (e.g. Aaker, 1991; Shocker et al., 1994; Fournier, 1998; Keller, 2003; Morgan and Rego, 2009). Various studies also suggest that branding on a worldwide scale are not critical for the survival, growth and profitability of the firms but it facilitates the integration of world markets and the presence of global competitors (e.g. Fastoso and Whitelock, 2007; Ozsomer and Altaras, 2008; Strizhakova et al., 2008; Townsend et al., 2009).

Methodology

This case study used an in-depth interview with the officials of Mewar Rugs. This method aimed at gathering qualitative information from the majority of people at various levels in the company. It encompasses the topics that are important for the purpose and the issue of the interview. The method of the in-depth interview has helped the interviewer to probe the company people of various positions and further help in exploring their point of views, without being influenced by the opinions of other people of the company.

Problem

Mewar Rugs are operating in a market where demand is more and supply is less. Also, the product is as such that the customers do not have enough information regarding the costly floor covering. They also do not take up any evaluation of carpet before taking such costly decision. The company sales activities are concerned with receiving the orders, giving them a delivery date, monitoring the production process and making the products available at the due date. Since the production is happening in different parts of India in different phase, it requires a huge co-ordination between many groups to finish the consignment at the due date. Hence the company is utilizing the latest technology like ERP II and other services to make on-time deliveries.

The marketing activities are primarily dominated by participating in trade exhibitions and hiring interns for their research projects. Since the product is catering to the niche premium segment with high price points, advertising on mass media is not a preferred choice of them. They have entered into joint ventures with leading designers like Jenny Jones and other upcoming designers. There is a huge gap in the marketing communication with respect to the Mewar Rugs as a Brand and their customers. Every company depicts its particular culture and identity with its distinctive stamp. The company uses its logo to communicate what a company does but the same can't be said for Mewar Rugs. The company uses Mewar as a brand and logo. The color combination used for the company brand lacks relevance to the product and fails to connect with the customers. This approach limits the adaptability and appears to be quite rigid as it does not have a proper connect with the product offerings of the company. Also, there is no tagline for the same.

The company participates in various exhibition and trade shows so as to promote the product to a broader group and create a customer database from the visitors. This also helps in generating leads. These leads are

further followed by the sales representative. They undertake market research with the help of interns to understand the trend, expectations and requirement of their prospects. Both the sales representative and the interns lack professional approach as their business card are not in line with the kind of products they are offering to upper end customers. The same can be said with respect to their other modes of communication. The problems associated with the international market could be lack of updating information in trends and demands of consumers, the absence of strategic planning for carpet exports, poor advertising, and lack of familiarity with the target market. The company has an advantage to globalize as Indian government offers incentives to the export oriented businesses, while the Internet and inexpensive communication services make it more convenient. The presence on the global market requires advertising to build its brand, focus on the sensitivity and customers' demands, paying attention to changes of purchaser groups and keeping a track of In addition to this, other aspects like availability of product, product compatibility, advertising, imitation, selection of specific sale promotion media, pricing and distribution decision are important for the marketer to retain its patronage with existing customers. These loyalties can also serve a word-of-mouth publicity for acquiring a new set of customers. It is very important for a company to become a market leader in its industry, but the bigger challenge is to maintain its position. Some of the other problems that are evident from the situation are as follows:

- Lack of innovative marketing strategy.
- Neglecting the environmental factors that affects the marketing and exporting of hand-woven carpet.
- Focus on the global market and planning an entry into the domestic market.
- Lack of planning in identifying and determining new markets.
- Lack of segmenting buyers and consumers in the target markets and experienced approaches in international marketing.
- Innovation in distribution channels, delivery to the customers, pricing, and the price of hand-woven carpet.

Observations

The company needs to rework on their marketing strategy and more specially marketing communication. First they need to understand their target audience who belong to high end customers who are more willing to pay premium prices for exclusive hand woven carpets. The product should be as such that the customers feel that it is the 'design

and quality ' I am looking for it and this will make it possible to pay for higher price points. At the same time, the company should also engage in customer education and information about the carpet maintenance. The carpets are expensive products and they cover around 70 percent of the floors in homes and workplaces in the country like the United States. Hence it calls for cleaning after a specific and regular duration. This gives the opportunity to the company to remain in touch with customers by offering after sale service and cleaning of the given carpets. The company should aggressively work on the branding activity by designing a logo that seems to be more relevant to the product of carpets. They can use gaudy color for the logo as carpets are always full of vibrant colors.

Recommendations

The company should aggressively work on the branding activity by designing a logo that seems to be more relevant to the product of carpets. They can use gaudy color for the logo as carpets are always full of vibrant colors. The company should go for a global logo that seems to be relevant and form a great connect with global customers. They also need to and standardized marketing materials in the wake of global customers. Therefore, if Mewar rugs want to build themselves as a global brand, then the visual communication and signature elements should be in line with the product offerings.

Conclusion

This case study is an attempt to identify the reasons behind the company's approach regarding the intensity of marketing activities. The carpet industry has a potential to grow further in double digit and offers a promise of bringing in a lot of foreign exchange to the country by increasing the exports. The case illustrates how international growth strategies of these carpet exporters can impact their reach. It calls for the marketing of the brand, in terms of product ranges, advertising support so as to expand further in other parts of the world.

Marketing is a continuous activity and calls for designing product and marketing strategies for world markets and to remain in touch the customers. When it comes to international marketing, the four "P's" of marketing mix i.e. product, price, promotion and place get extended to more number of P's like payment (international transactions and currency exchanges), paperwork (increased documentation), practices (different

cultural, social and business styles), partnerships (strategic alliances to strengthen your market presence) and protection (increased risks relating to payment, intellectual property or travel) and many more. The given case emphasizes that resources and capabilities are fundamental drivers of competitive advantage and performance in export markets. But at the same time, allocating substantial levels of working capital every year to advertising, sponsorships, cause-related marketing and public relations events is required to rub up the image of their brands and positively influence customers' brand associations. Also, it calls for the deployment of superior export venture communication skills that reflect the achievement of export venture branding advantage. This can help the firm to understand foreign market characteristics and customer attitudes, behavior and their value perceptions by virtue of their market research and customer linking functions. Under such scenario, the company has a greater chance of achieving superior performance outcomes if they possess a branding advantageous position in the export marketplace.

References

- Hosseini S.E., Sadeghi T., Zargari M.J., & Nazanin N.N., (2013). A Study Impact of Marketing Strategy on Handmade Carpet Sale. *International Journal of Business and Management*, 3(5).
- Mohammad Y.M.M.Y., Madahi A., & Mohammad S.E., (2012). Export Marketing of Hand-woven Carpet of Kurdistan State in Iran - Assessing Effective Factors and Pathology. *International Journal of Marketing Studies*. 4(4) 2012, Published by Canadian Center of Science and Education.
- Pain A., & Ali M., (2000). Understanding Markets in Afghanistan: A Case Study of Carpets and the Andkhoy Carpet Market. URL: www.areu.org.af/Uploads/.../422E-Andkhoy%20Carpets-CS-web.pdf (Retrieved June 15, 2013).
- Sandeep S.S., & Goswami K.K., (2007). Handmade Carpets – Potential for Socio-economic Growth. *The Innovation Journal: The Public Sector Innovation Journal*, 12(2).
- Toni-Matti K.T.M., Laaksonen L., & Ainamo A., (2013). Design for b(r) and identity - Exploring visual concept building within the metal music genre. URL: [gsct3237.kaist.ac.kr/.../ Design%20Management/Design%20for%20b\(r\)a](http://gsct3237.kaist.ac.kr/.../Design%20Management/Design%20for%20b(r)a) (Retrieved June 21, 2013).

Tyagi S. (2000). Present scenario of Indian carpet industry vis-a-vis international markets, paper presented at the *National Seminar cum workshop* on recent R&D Initiatives and Developmental Schemes of wool and woolens. URL: www.wraindia.com/Shishir%20Tyagi.pdf (Retrieved June 15, 2013).

Teaching Note

Branding At Mewar Rugs

Context

The case discusses about the Company, Mewar Rugs known for high quality handwoven rugs exporting majority to the US and the rest of the world. The unique selling proposition (USP) of the company is hand woven carpets which depend upon the creative designs and workmanship of the weavers. There is huge demand for their finished products in developed countries and are primarily supplying their finished products to the exclusive showrooms and outlets of premium luxury home decors. They have tied up with some leading designers that are helping them to build their brand on the concept of co-branding. The process of manufacturing is highly labor intensive where the majority of the processes is done by the weavers manually. The company is investing a huge amount of resources in the process and infrastructure. The company is also doing well on sales front but lacks innovative approaches of marketing. This may endanger the competitive advantages of the handwoven carpet in coming time at global arena. This case is an attempt to discuss whether Mewar Rugs needs a new brand identity and how its image is significantly important for this kind of product where demand exceeds the supply.

Learning Objectives

1. Conduct a SWOT analysis for the Mewar Rugs.
2. Why do Mewar Rugs need a new brand identity?
3. How do the principles of International Marketing can help the company to position themselves as a global brand?
4. Suggest a brand identity to the company with respect to the logo, color and tagline.

Answer Key

1. Conduct a SWOT analysis for the Mewar Rugs.

Carpet holds a grace and recognition from centuries and constitutes an integral part of floor culture and living arrangements. This industry is a gift of the Moguls to Indians who has introduced and brought carpet weaving in India which survived and flourished greatly. Indian Carpet Industry is a unique industry which dominated by the unorganized sector of unskilled and semi-skilled artisans. Somehow, it managed to perform impressively in the past years and has always contributed towards the Indian export industry.

Strengths- Carpet industry has prospered in India due to availability of cheap labor, low cost raw material, exquisite weaves and intricate designs, artistic skills, technical experiences in designing and dyeing, innovations in selling carpets and flexibility in manufacturing all kinds of carpets.

Weaknesses- This sector is highly unorganized. The carpet manufacturers and exporters are inadequately equipped with marketing channels, poor infrastructure and lack of professional approach and Intellectual Property Rights over the designs and processes. This sector is afflicted with inefficient coordination and ill management like small and non commercial weaving workshop, prevalence of rust spinning and dyeing workshops. Also, the industry needs to work on quality standards, cost reduction, better development of products and their on-time delivery to drive its growth.

Opportunities- With growing consumerism, there is huge demand for the new carpet designs. It is used as a marketing tool, and gives the opportunity to provide stocking and warehousing services to various players in the market.

Threats- Industry is suffering a lot due to unhealthy competition exiting within it. Since the sector is dominated by unorganized labor there is a huge amount of unskilled labor who keeps on switching to other kinds of jobs. Various governmental schemes floated for the benefit of bottom-of-pyramid are sometimes abused by these laborers. Also, these laborers want their children to continue with education and pick up a decent job rather than joining them back into the artisans work. Hence, the industry invites the risk of possible backlash on itself. Also, there is growing competition from countries like China, Turkey, Iran and other countries.

2. Why do Mewar Rugs need a new brand identity?

Branding is an effective way of expanding and crafting a strategic position in the market, and eventually leads to increased profit. Brands are valuable as they convey a uniform quality, credibility and experience. Branding builds brand loyalty, value and attracts new customers. It is a very important activity even for small and medium sized businesses as it communicates information about the business and products to the market. It is all about establishing an identity, becoming recognized for it and customer can relate to it. It gives a competitive advantage in the market. Consumers tend to buy those products that they know and trust. A strong, well defined brand allows the company to charge premium knowing that consumers will remain loyal, and buy it at the higher cost. Aggressive branding helps with consistent reinforcing of the brand, which enables positive responses from the consumer.

As mentioned in the given case, when we say Mewar Rugs, the logo fails to offer visual aspects of the company's presence and customers find it difficult to connect the products (carpets and rugs) with the brand. The brand also falls short to communicate the emotions of the business' reason for being in existence. The brand identity is very important as it provides the glimpses into the brand phenomenon, personality, ideas and values and contributes to the consumer's perception and helps differentiate from competition. In the given case, customers find it difficult to link the product with Mewar which is a tourist destination of Rajasthan. Even, the brand does not have an eye-catching logo or impressive and relevant tagline. Even the brand name is written in a simple font in the upper case. The print advertisement of company lacks creative designs. They don't emphasize their exclusive, contemporary designs and customized rugs and essence of India, representing its diversity and rich cultural design heritage. Today's competitive environment prompts the use of memorable icon, logo, graphic, colors, images or some other branding symbol. It helps people to relate with and becomes easy to repeat when talking with others. These design elements and visuals reinforce the message that the company wants to convey to their customers in a way that's relevant to them.

3. How do the principles of International Marketing can help the company to position themselves as a global brand?

International marketing is the application of marketing principles to more than one country, multiple cultures and business environments that can serve as a driving force in internationalization. When it comes

to international marketing, the four “P’s” of marketing mix i.e. product, price, promotion and place get extended to more number of P’s like payment (international transactions and currency exchanges), paperwork (increased documentation), practices (different cultural, social and business styles), partnerships (strategic alliances to strengthen your market presence) and protection (increased risks relating to payment, intellectual property or travel) and many more. The brand building on an international basis offers opportunities for capitalizing on economies of scale, developing global markets and pursuing multiple market segments and brand name standardization. Another school of thought prefers “think global act local” approach for international marketers and company needs to deploy their marketing strategies to match the characteristics of diverse external environments. It calls for change in aspects like colors and thinking with respect to the consumer’s sensory, utilitarian, symbolic, cultural aspect and economic needs differed across nations. It helps the company to operate in foreign markets by adopting one of four entry modes—exporting, licensing/franchising, joint ventures, and wholly owned subsidiaries. In the given case, since the business is spread over to developed countries, there are differences due to the physical location of customer groups and their preferences for the rugs. So, it is very important for the company to understand the preferences, liking about the designs and kinds of rugs. Currently, they have taken the route of export marketing but the routes of licensing/franchising and joint ventures are also other options available with them. Franchising can be taken mode of expansion in different countries where products can be supplied that are manufactured at India but sold there under their brand name. They can plan the joint ventures with leading interior designers with the concept of co-branding. This would further help them to strengthen their brand in foreign market.

4. Suggest a brand identity to the company with respect to the logo, color and tagline.

A logo and a tagline are the most important elements of corporate identity. The logotype symbolizes the company and attracts the potential customer and business partners. A small image, graphic with or without short text can tell a lot about the kind, type and scale of the business activity. It should be easily recognizable and works well in a wide range of advertising media. Designing an interesting and exclusive logo is very crucial for any business. The overall look of the logo including colors, fonts, pictures, layout, etc. needs to visually reinforce the feeling that the company wants their products should convey. Logo can be used

everywhere like business cards, business gifts, official communications, mailers and envelope. But it should be attractive, exclusive with finer details of color, font to catch the attention of customers. A tagline is a motto and an idea of corporate identity, The clearer is the logo design, the more precise will be the tagline and the corporate idea and their philosophy in the future.

An advertising slogan could be short and easy-to-remember phrase consisting of advertising messages. These slogans should have an orientation to the products so that its quality can influence the success of products or a company on the market. A successful slogan should be creative, laconic, precise and crisp and clear, easy-to-read and reflect harmony with the company's mission. Corporate color and fonts reflect the mood of corporate identity and these are permanent fixtures that follow the company everywhere. The color scheme should be uniform throughout all of the materials, and appropriate for your goals. They are used on a corporate website, on official documents, such as envelopes, business cards, folders, etc. Even the corporate color is also associated with a certain idea. A business card is a corporate mini-presentation having important information about a person or a company (first and last names, address, telephone number, company name, position, etc.) A letterhead is a documentary support of corporate identity which serves as advertising materials. A corporate folder is a convenient accessory which can be effectively used at exhibitions, seminars and other meetings, advertising, etc. Since the company is in the carpet designing, they should emphasis on bright colors and colorful logo for the company.

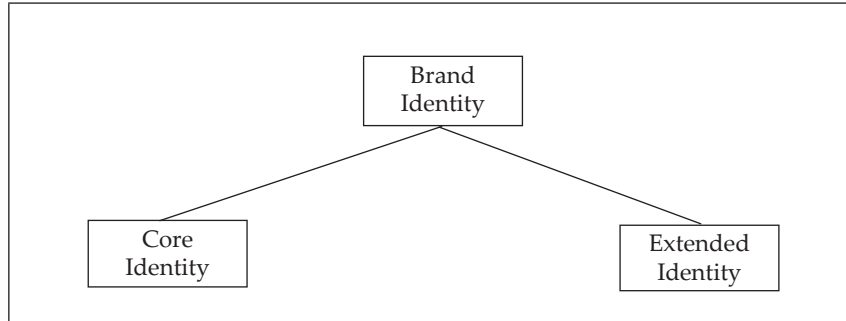
5. Why there is need of strong branding where the brand identity and the brand image need to be congruent?

Most of the time customers associate the company with its logo while others link it with its product range. Some companies manage their brand well and relate it to the company's future income. A strong brand is a valuable asset of a company and can generate consumer confidence, loyalty, and employee motivation and attract new employees. A strong brand can link to the company's value, vision and purpose (Kapferer, 2008) where the role of brand awareness becomes significantly important. This brand awareness is created by the familiarity of the brand where consumers are getting exposed to it repeatedly like advertisement campaigns and it develops over a period of time. It leads to the formation of concepts known as brand identity and brand image. According to Aaker, "Brand identity is a unique set of brand associations that the brand strategists aspire to create or maintain. These associations

represent what the brand stands for and implies a promise to customers from the organized members” (Aaker, 1996) and “A brand image is a subjective mental picture of a brand shared by a group of consumers” (Riezebos, 2003) and require the brand identity to be congruent with the brand image. Brand identity refers to what a company stands for or how it wants to be perceived whereas brand image is the consumers’ perception of the brand.

6. Explain Aaker’s Brand Identity Model with respect to the Mewar Rugs.

Brand identity helps the brand in providing a direction, purpose and meaning for its existence and highlights the attributes of a brand’s uniqueness and value so as to differentiate it from other competing brands. If a brand lacks a well defined identity, consumers find it difficult to develop a strong relationship as the brand fails in instilling confidence to its customers. In the given case, there has not been much emphasis on brand, logo and its communication. When a brand identity is not well stated and communicated by the company, the consumers may create a negative image or builds an image that deviates from the company perspective.

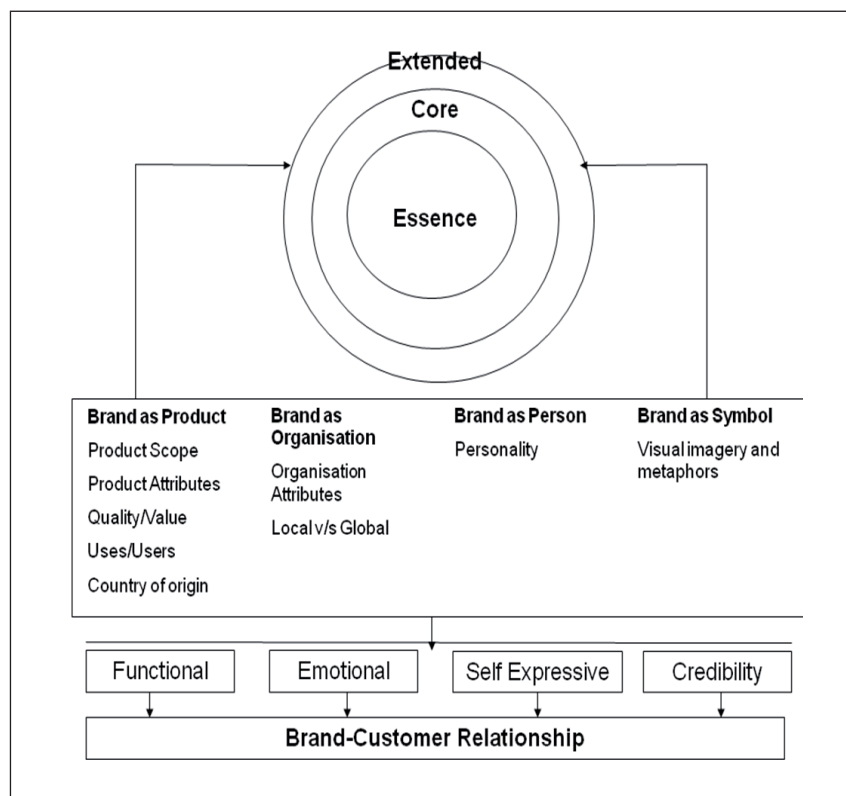


According to the Aaker’s brand identity model, it consists of a core identity and an extended identity. Core identity relates to timeless essence of the brand which is central to both the meaning and success of the brand and remains constant as the brand moves into new markets and new products. It focuses on product attributes, service, user profile, and product performance. The extended identity, on the other hand, includes elements that provide texture and completeness. It fills in the picture, adding details that help portray what the brand stands for. Aaker’s Brand Identity Model helps the company to consider the brand as a product; an organization; a person; and a symbol. The purpose of

this system is to help brand strategists consider different brand elements and patterns that can help clarify, enrich and differentiate an identity.

Brand-as-product: here the product is a rug which is the reflection of living standard in the developed countries. Hence the buyer is concerned with the functional benefits of the rugs but at the same time clear, designs, texture constitutes the emotional benefits for customers. Since these rugs are hand woven, they can create a different value proposition by offering something different viz-a-viz machine work. These rugs are remembered for their intricate designs complete distinguished by human intervention.

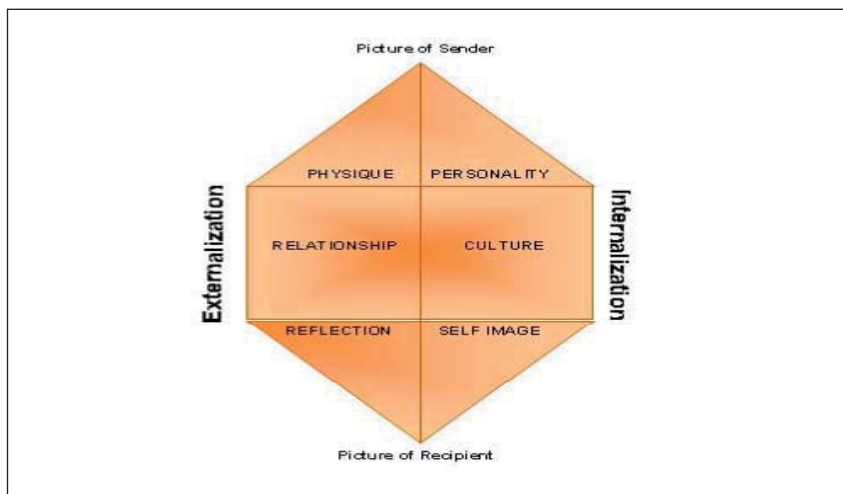
Brand-as-organization: This attribute reflects on the organization rather than on product. The organization attributes like innovation, a drive for quality, technology driven and concern for the society are created by the people, culture, values and programs of the company. These attributes are more long lasting to competitive claims than product attributes.



Brand-as-person: Like a person, a brand can also have a unique personality. This personality relates to the self-expressive benefit, relationship and its communication. Brand personality makes a stronger brand by creating a self-expressive benefit that becomes a medium for customers to express their own personalities. The personality of this brand is responsible for the relationships between people and help in communicating his product attribute and its functional benefit.

Brand-as-symbol: A symbol or logo can provide structure to an identity and make it easy for the customers recognize, recall and brand development. This relates to visual imagery, metaphors and the brand heritage. But this aspect is missing in the given case.

Explore Kapferer brand identity prism with respect to Mewar Rugs.



The brand identity prism consists of attributes like physique, personality, culture, relationship, reflection and self-image and together they integrate to form brand identity that can be communicated to consumers. It helps the company to understand the way the brand will progress with time and would help the company to design strategies to meet opportunities and challenges.

Physique

Physique relates to the salient features that immediately come to mind when thinking about a brand. It also represents the brand's strength of character and its intangible outer value. The company uses MEWAR

as their logo. It is very difficult to relate MEWAR with rugs or carpets. Moreover it is operating in the international market of US where people find it difficult to relate to the name that is completely unknown to them.

Personality

It refers to the communication that tries to give information about what kind of a person the brand would be if it were human and its characteristics. It refers to the spokesperson or mascot used by the company in their communication. In the given case it is mostly using print ads without these elements.

Culture

Culture is a set of values that are the brand's inspiration and links the brand to the firm and helps in differentiating the brand. According to the given case, since the company deals with hand woven rugs, it depends upon the intricate designs and ingenious skills of artisans. Also, the brand has been associated with India known for its rich culture.

Relationship

Every brand maintains a good relationship and engagement with their customer with the help of marketing communication. For a brand it is very important to know that how does it is seen by customers in marketing communication. This relationship is depicted whether the brand suggest itself as extravagant, adventures, grandiose, sophistication, sober or other.

Reflection

It is a description of the way customers wish to be seen as a result of using a brand and thus becomes its identification. The company needs to answer the query that what would the users imagine while using the product? The reflection is the idealized vision of the company's target group and is its outward reflection.

Self-image

Self-image is the customer's internal reflection after buying the product. It is individuals' attitudes towards the brand and by purchasing that brand, customers send out a picture of who they want to be and how they should be perceived by the others.

Case Resolution/Epilogue

In today's time, there is always a stiff competition in every business segment. This calls for the need of being contemporary and relevant to the customer's need. Although the company might be doing well on sales front but lacks innovative approaches of marketing. This may endanger the competitive advantages of the handwoven carpet in coming time at global arena. Hence there is need of aggressive marketing by the company to reinforce their brand and showcasing their distinct line of carpets reflecting artistry and flamboyance with global appeal. They can take the advantage of social media's unique ability to engage with customers and craft marketing strategies. They can make their presence at various social media platforms as consumers go online to discuss products and brands, seek advice, and offer guidance. They can open up new channels for interactions like Twitter-based customer service and Facebook news feeds. This can help them in creating buzz and crave a compelling brand personality.

References

- Jennifer, A, L. (1997). Dimensions of Brand Personality, *Journal of Marketing Research*, 34(8), 347-356
- Kapferer & Noël, J. (1997). *Strategic Brand Management*, Great Britain, Kogan Page.
- Riezebos, R. (2003). *Brand Management*, Prentice Hall, New York.