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Title: Emerging Marketing Trend: Misuse of National and International Brands in Unrelated Category in Rural/Semi-Urban Markets in India

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Abstract

The paper is based on a field study to investigate the extent of misuse of reputed brands in many rural /semi-urban markets. A large number of well known national and international brands are actually being used on the packaging of an array of products in unrelated categories, as captured for durables in specific categories in Annexure 3.

Buyers from rural and semi-urban areas have been purchasing these **mis-branded** (a term coined by the authors to describe this unique phenomena) goods without even being aware of the original brand or its attributes associated with the purchased brand in many instances.

Observational studies followed by structured interviews were conducted (among consumers and retailers) in select semi urban / rural markets in Gujarat. The findings revealed that mis-branded products proliferate in product categories like footwear, kitchenware, electronics and hardware category, being the low priced consumable durables that are purchased more often.

Findings indicate that low price and availability are the key drivers of purchase while brand name or warranty / guarantee is not important for these groups of consumers. Younger consumers below 35 and having education at least up to secondary school level are aware of the original brand name and buy mis-branded products because they are available at cheaper price. Where as consumers who are not aware of brand names buy because they follow recommendations of friend, sales person or shopkeeper.

It is observed that consumers do not associate original brand names with the product they buy. Purchase decision for buying mis-branded products is mainly a function of low price or recommendation from another user or salesperson at the outlet, where the mis-branded product is available.

Key words:, *Branding, Mis-branding, Retailer, Consumer, Value, Availability, Price, Rural, semi-urban*

1.0 Introduction

In many rural / semi-urban markets there are a number of well known (National or International)brands that are being misused to label and promote products in a multitude of unrelated categories (relative to the original categories), where the original brands have strong associations and market positions (in urban markets in India). Buyers (from lower income groups in semi-urban and rural areas) continue to purchase these mis-branded goods in unrelated categories, vis-à-vis the original brands. The phenomena can be demonstrated by the following examples, for products being distributed in semi-urban and rural areas:

1. Use of "Nokia" brand name (with its high popularity and market share in cellular handset category in urban markets in India) to promote and sell speaker systems.
2. Use of "A Star" brand name (associated with newly introduced small car line from Maruti Suzuki in India) to promote and sell footwear.
3. Use of "Tata" brand name (one of the large diversified industrial conglomerate and a household name trusted across India) to promote and sell kitchenware.

The authors came across a large and existing body of research and publications on fake, counterfeit products and similar phenomena. These terms are related to products(under study) being in the (same) category as that of the original product and the intent there (by the party offering fake product) is to mislead consumers and gain out of the goodwill created by the original brand owner, resulting in loss of sales, market share and good will for the legitimate brand owner. In contrast, mis-branding describes a fundamentally different phenomenon.

The term mis-branding has been coined by the authors to describe "misuse of well-known National and International brands as applied to Products in an unrelated category". Unrelated category is with reference to the category to which the original branded product is slotted. This phenomenon of misusing brand elements (including brand name, logo, tag line etc.) as applied to mis-branded products in an unrelated category) are predominant in Rural / Semi urban areas in India. This is our attempt to study the extent of the previously observed issue to confirm whether this is a general phenomenon or if such misuse or infringement of Intellectual Property Rights (e.g. an established Brand name) are limited to a few categories.

The phenomena observed can be detailed further as follows:

a. There is an established national / international brand that has high visibility in urban markets for a given category

b. The brand elements (name, logo, symbol etc) are being used in part in an unrelated category distributed through retail channels in semi-urban / rural markets

c. The buyers of these goods are accepting the mis-branded good in unrelated category (out of ignorance or in good faith (based on assurance of seller)). Preliminary exploratory research and discussion with some rural / semi-urban customers has revealed that the buyers are not often influenced by the brand name associated with the product as it might be unrelated.

2.0 Literature Review

This section is broken into several distinct parts. Starting from the broad literature in the area of Branding, the focus shifts to Branding in Rural / Semi-urban areas (with an intent to identify how branding differs when designed for Rural / Semi-urban Demographics). Then the focus moves on to Branding within / across categories, where the limitation of Intellectual Property across categories emerges as relevant.

Branding A brand's equity is built over a period of time and specifically through a series of marketing initiatives as well as indirect business and operations led efforts by the brand-owner (Keller, 2001). One of the key elements of a brand is the brand name. Brand names help establish the crucial linkage between the value offered by the products (and services of a firm) with individual customers, within a category (Brock Smith et al, 2007).

A brand name helps to associate the relative value constructs of a product vis-à-vis other comparable products within a category; leading to the phenomena of "Brand positioning" (Sengupta, 1996) and has a significant impact on the sales volume and market share (Jones et. al., 2003). Often a firm owning a well known brand name will create a new brand name or extend a well-known brand to introduce new products in existing or allied categories (to gain faster acceptance vis-à-vis the competition) in the target market (Robertson, 1989). Brand names are legally protected within geography for identified product / service categories. These rights are enforceable by law and hence the legal protection of brand name and identity elements form a cornerstone of the free market economy (Kotler, 2008).

Branding in Rural/semi-urban areas

There has been considerable amount of research on consumer behaviour, the retail market, brand awareness, use of brands in rural India. The review of the litearture on Rural markets serve as a reference point for a host of published work in this area.

The Rural Marketing Book (Kashyap, 2008) presents a holistic view on rural marketing and provides a backdrop for our work. The key factors in capturing consumer behaviour in emerging markets is possible by understanding the demand that brings into focus inconsistencies in marketing approaches adopted by MNCs to tap the market potential(Dawar, Chattopadhyay, 2000). Research into marketing programs that have failed to deliver on account of poor understanding of the behaviour of rural consumers help capture the key factors like building awareness, making goods and services available and selecting an attractive price. Generating an understanding of distribution and retailing in rural market is useful in the investigation of what stimulates retailers to push mis-branded products (in unrelated product category).

Proliferation of counterfeits, fakes and duplication of big brand names in urban as well as rural India (Rana, 2005) helps draw interesting insights. The purchase of the products in select categories of consumer durables reflect 'negligible' brand loyalty and a blurred line, (if it exists at all) that cues the rural customers' perception of quality and price. This price versus quality argument is evidenced in this research where it was found that rural consumers tend to exhibit lower brand loyalty and prefer lower prices for footwear and clothes (in durable product category) but they have demonstrated a tendency to prefer quality while purchasing durables in kitchenware or electronics, evidenced in our study.

A logical framework of brand awareness amongst rural consumers (Krishna et al, 2008) lends credibility and pertinence to our research on mis-branding products (in unrelated category). It specifically denotes "shopkeepers' recommendation" as vital component influencing the buying behaviour in rural market. This draws a parallel to a key variable in our study that aims to investigate the factors that influence rural consumers to buy mis-branded products. This research paper identifies such key variables that influence brand preferences amongst rural consumers for durable products with greater longevity and higher price points (than FMCG or other non-durable consumer goods).

Quality or performance does not determine brand preference in the durable products in rural markets, and is impeded further by low brand awareness and lack of trial among other things (Anand et al, 2008).

It is quite clear that the benefits that a retailer stands to gain on selling spurious brands; a pattern is similar to what was observed while surveying retailers in the rural market, during our fieldwork (Selvaraj, 2007). Generally, the relationship between the consumer and the retailer in rural market is seen to be cordial and trustworthy which is based on various reasons like living in the same geographic area, mutual respect and relatively higher value.

It is important to understand that the rural retail market structure helps us ascertain their place of buying and selling which subsequently connects us to the buying behaviour of rural consumers (Narang, 2008). Local shops are frequented for day-to-day purchase while 'haats' or 'mandis' (further categorized as a common geographic marketplace) are visited less frequently on specific day of each week for specific purchases. The "haats' sell almost everything from daily items to seasonal produce. Our initial study was conducted in similar weekly 'haats' while the more detailed study focused on the rural / semi-urban retailers as the point of observation.

Branding within / across categories (limitation of Intellectual Property across categories)

The literature available on an alternate construct on counterfeit, fake or spurious goods expressed through alternate synonyms including 'Duplicates', 'Spell-alikes', 'Counterfeits' and 'Look-alikes' within given product categories is large (Sridhar, 2007) across the world. Also, several authors have contributed to the knowledge on impression formation (Tunca, 2009) and effect on consumer search (Gentry, 2006) while dealing with fake / counterfeit products.

The legal artefacts used to deal with the issues above include copyright laws (usually formulated per nation such as the The Indian Copyright Act, 1957), Design Rights, Law of Passing-off, Registered Trademarks, and international watershed events such as Paris Convention for the Protection of Industrial Property 1883, Madrid Convention concerning International Registration of Marks and protocol 1889, European Patent Convention 1973; The Patent Cooperation Treaty 1978, GATTS –TRIPS 1994 (Ryder, 2003).

But, the core assumption or point of focus is protecting the rights of the Designer, trade mark owner from misuse within the category, thus duping the consumer and causing pecuniary and

other losses to the brand owner (Finn, 1993). Since the registration itself is based on categories or at a higher level (viz. International Trademark Classes of Goods and Service), there is a dearth of clarity on the legality of usage of Trademarks and / or Brands across a different category (Ryder, 2003).

The rest of the paper aims to describe and distinguish the phenomenon of mis-branding (from that of fake, spurious or counterfeits). An alternative perspective points out the potential damage a set of current offerings (products) can create if continued to be consumed without the knowledge and the awareness amongst the rural consumers (Jaiswal, 2008).

Consequently, the authors could not locate publications in the area of Mis-branding, the phenomena of branding across categories; being a new area of research (and none in the heterogeneous Rural / semi-urban markets in India).

3.0 Research Focus

Based on the arguments drawn up in the previous section, this research is about mis-branded products in unrelated categories. Operational definition used in the rest of this paper on mis-branding is stated below:

The phenomenon of misuse of branding (hence called mis-branding) to promote and sell products in unrelated categories by using well-known brand elements (including brand name or logo) is seen in a number of categories of products available in the semi-urban / rural Indian markets. The products that are offered through the practice of "mis"-branding are labelled as "mis-branded products in unrelated categories".

This exploratory research attempts to study

a. The extent of phenomena to identify if this is general phenomena or limited to a few categories in the rural / semi-urban markets
b. The channel of "mis"-branded products and rationale (for selection and stocking of the brands by retailers) at semi urban / rural locations.
c. The semi-urban / rural buyers' choice process and influence of a (national) brand on the buying decision while buying a product.
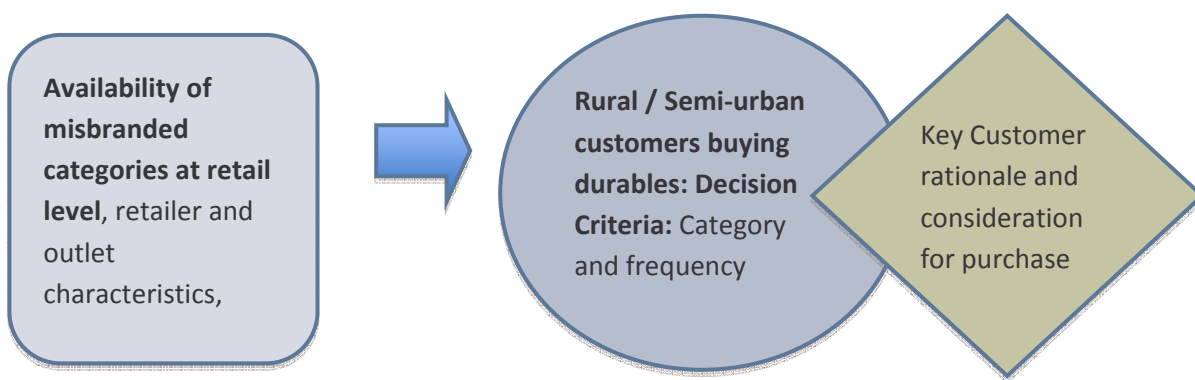
Having established the phenomena of mis-branding, the paper attempts to recommend initiatives at the policy level primarily for brand owners (business firms) and industry

associations as well as the Marketing Communication companies involved in Brand Communication.

The product categories selected for the study were of durable variety as these would be relatively more expensive, bought less frequently and hence is likely to take more cognitive / rational decision making, and that the semi-urban and rural consumers would be able to recall and respond. The conceptual framework of the study is depicted in figure1.

Figure 1: A schematic of the study of availability and purchase of mis-branded goods

Availability of misbranded categories at retail level, retailer and outlet characteristics,

Rural / Semi-urban customers buying durables: Decision Criteria: Category and frequency

Key Customer rationale and consideration for purchase

4.0 Research Process and Data Collection:

Research was designed primarily as an observational study of the rural and semi-urban market followed by structured interviews of consumers buying (and retailers selling) mis-branded products. Areas of the present study are limited to two districts; Ahmedabad and Gandhinagar of Gujarat state in India. For observational study of semi-urban markets, markets around the cities of Ahmedabad and Gandhinagar were chosen where as rural markets were selected in the adjacent villages within a radius of 20 kms, from these cities. The villages visited for data collection are listed in Annexure 1. Semi-urban area is defined as population more than 5000 and rural area is with population less than 5000. (According to the definition of Census of India). Exploratory study was done in local markets, ('haats' and 'mandi' in local parlance) in these two areas in February 2009 before launching a more detailed research in July 2009.

Observational study is done by visiting the markets in the selected geographic location, detailed elsewhere and noting the shops that stocked and dealt with mis-branded products. The research captured inputs from the consumers who purchased the mis-branded products from the identified outlets and also the shopkeepers who stocked and sold such items.

Data was gathered through initial observations in local markets (including haat /mandi) to decide on the type of product categories and outlets for the detailed study. This was followed up with structured questionnaires that were administered to 190 customers who bought the mis-branded products and 48 retailers who were selling more than one mis-branded products. The study identified customers who purchased a durable product and then the retailer from whom the purchase was made. The data collection took place between February and July 2009.

Thus, the focus of this study was the availability and purchase of mis-branded product to get some understanding of consumers and retailers. Mis-branded products and original brand name and product category is listed in the table-1 and selected photographs of these products are reproduced in Annexure 2.

Questionnaires were designed, aligned to the framework of the proposed research model (Figure1). Separate questionnaire constructed were used to observe / query consumers (who purchased) and retailers (who were selling mis-branded products). The summary of the data collected from these two groups have been listed under Table 3 and Table 4.

Key components of the questionnaire for consumers were; Influence of national and international brand on rural/semi-urban consumers' buying behaviour, Brand awareness amongst rural consumers, Impact of mis-branded products on consumer durables.

In case of retailers, the study aims to investigate the channel flow and retailer's rationale for selecting mis-branded products and their awareness about the brand name and what categories of the products are sold. Selection of the retailers was based on those who were selling the mis-branded products in the selected markets.

Consumers selected for collecting the responses were the ones who were found to be buying the mis-branded products or any consumer doing purchases in the selected markets. Sample includes 190 consumers and 48 retailers.

Table 1: Illustrative list of mis-branded products and linkage to Original Brands and Original Categories* *Pl refer to Annexure 2 for all mis-branded products encountered during the current study*
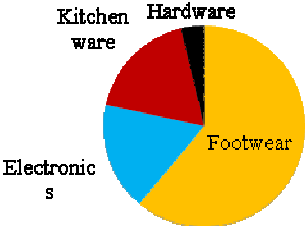
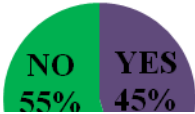| Mis-branded Product and category	Original Brand	Original Product Category/ ies	Original Brand's Market
Flair Shoes, Footwear	Flair	Pens and writing instruments	Prominent Brand
Idea Shoes, Footwear	Idea Cellular Services	GSM Wireless / Wire line	Prominent Brand
Montex Shoes, Footwear	Montex	Pens	Prominent Brand
Good Day Shoes, Footwear	(Britannia)Good Day	Biscuits and Bakery Products	Market Leader
A Star Shoes, Footwear	(Suzuki) A Star	Automobiles	Market Leader
i10 Shoes, Footwear	(Hyundai) i10 Car	Automobiles	Market Leader
Nokia Speakers, Electronics	Nokia	Mobile Phones & Accessories	Market Leader
Zen Switch, Others	(Maruti) Zen	Automobiles	Market Leader
Amul Torch, Others	Amul	Milk, Dairy	Market Leader
Airtel Radio, Electronics	Airtel	GSM Wireless / Wireline	Market Leader
TATA Pressure Cooker, Kitchenware	TATA	Diversified: Engineering,	Market Leader
Reliance Pressure Cooker, Kitchenware	Reliance	Diversified: Oil & Gas, Telecom,	Market Leader
Toshiba Pressure Cooker, Kitchenware	Toshiba	Electronics, Television and	Prominent Brand
Samsung Mixer, Kitchenware	Samsung	Electronics, Television,	Market Leader
Videocon Mixers, Kitchenware	Videocon	Electronics and consumer durables	Market Leader
Sony Chappals, Footwear	Sony	Electronics	Market Leader

5.0 Analysis and findings

Observations and responses of the consumers and retailers are summarized in Table 2 and Table 3. Table 2 reveals that majority of the mis-branded products fall into the category of footwear, electronics, kitchenware, and hardware. Maximum number of consumers were buying mis-branded *footwear* as shown in figure 2*.*

Source of information about mis-branded products is shopkeeper himself in almost 76 % of the cases from where the products are bought. 45% of consumers confirmed that they were aware of the product with its original brand name, as demonstrated graphically in Figure 3. However, they also clearly indicated that they purchase primarily on account of low price and shop keepers' recommendation; as set out in Table 2.

Fig. 2: Product Category

Fig 3: Self-reported Brand Awareness (Consumers)

Summary of retailers' responses in Table 3 reveal that 81% of the retailers selling mis-branded products were aware of the original brand names and original product categories used for mis-branding. They were selling these products because of greater margins and customer demand. According to the retailers, customers do not associate brand name with the product they buy as shown in figure 4.

Cross tabs were developed to understand the interrelationship between various attributes. Chi-square test was conducted to check the association of the attributes for both consumers and retailers at 5% significance levels. Cross tabs for the attributes which were found to be significantly associated are exhibited in Table 6.1 to Table 6.6 and Table 7 for consumers and retailers respectively. Value of the chi-square and its significance level is indicated in the table.

Table 2 Summary of Consumers' Responses

Sr. No.	Questions	Response	No of Responses	Percentage
1	Are you aware of this product?	Yes	86	45.26
		No	**104**	**54.74**
2	From where do you obtain information about the brand?	Friends/Neighbours/Media	32	16.84
		Hoarding/Shopkeepers	**158**	**83.16**
3	What influences you to buy this product?	**Low Price**	**81**	**42.63**
		Recommendation	**109**	**57.37**
4	Would you buy this product if there are other products available at even lower price points?	**Yes**	**122**	**64.21**
		No	68	35.79
5	What kind of mis-branded product is being purchased? (observation)	**Footwear**	**116**	**61.05**
		Electronics	33	17.37
		Kitchenware	34	17.89
		Hardware	7	3.68
6	Is there a guarantee for durables?	Yes	61	32.11
		No	**129**	**67.89**
7	Location of purchase (observation)	**Rural**	**157**	**82.63**
		Semi-urban	33	17.37
8	How often do you buy this product?	**Twice a year**	**132**	**69.47**
		Once a year	31	16.32
		In 2 years	27	14.21
9	Where do you buy it from?	**Local shops**	**148**	**77.89**
		Haats or Mandis	17	8.95
		Other semi-urban location	25	13.16

Table 3 Summary of Retailers' Responses

Sr. No.	Questions	Response	No. of Responses	Percentage
01	Are you aware of any other product with the same brand name?	**Yes**	**39**	**81.3**
		No	9	18.8
02	Where do you procure the product(s) from?	Distributor	14	29.2
		Wholesaler	**32**	**66.7**
		Dealer	2	4.2
03	If yes, what influences you to sell the mis-branded product?	Higher Margins	18	37.5
		Customer Demand	**26**	**54.2**

Sr. No.	Questions	Response	No. of Responses	Percentage
		Stock Clearance	4	8.3
04	Do you think customers buy it because they associate the product with brand's attributes?	Yes	10	20.8
		No	**38**	**79.2**
05	Do you get "guarantee/replacement" from distributors or manufacturers?	Yes	25	52.1
		No	23	47.9
06	Do you provide guarantee/warranty to your consumers?	Yes	24	50.0
		No	24	50.0
07	Location of purchase (**observation**)	**Rural**	**29**	**60.4**
		Semi-urban	19	39.6
09	Type of Retailer (**observation**)	Organized	21	43.8
		Unorganized	**27**	**56.3**
10	Product Categories (**observation**)	Footwear	8	16.7
		Kitchenware	**16**	**33.3**
		Electronics	**15**	**31.3**
		Hardware	9	18.8
11	No. of mis-branded product (**observation**)	**01-Feb 2009**	**42**	**87.5**
		02-May 2009	6	12.5

Figure 4 Brand Awareness and Brand Association among Retailers
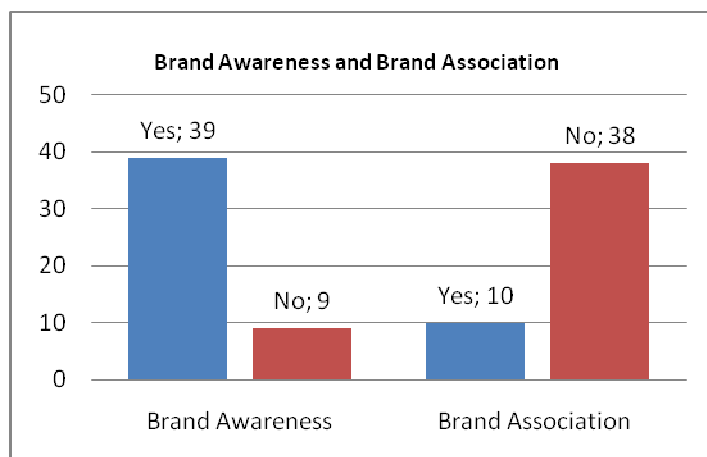
5.1 Analysis of Consumer Response: Consumer responses were analysed in two stages. (1) First, factor analysis was done to identify the related attributes and their groups. Three factors were extracted with KMO= 0.7 and explaining 60 % of the variance. (2) Secondly, association between attributes was examined by developing cross tabs and Chi-Square test. Tree classification was done to understand the most critical attribute which contributes in making purchase decision of mis-branded products.

5.1.1 Groups of Related Attributes: Factor analysis revealed three groups as shown in table 4.

Group1: *Product type, Guarantee and Frequency of purchase.*

Based on the table 2, it can be concluded that mis-branded products are bought in mostly categories such as footwear, electronics, hardware and kitchenware. Majority of the products are with no guarantee.

Group2: *Age, education and awareness of consumer.*

Frequency tables were constructed for these attributes as shown in table 5 and figure 5. It can be concluded that awareness about brand among consumers of age below 35 and educated at least up to secondary school is higher compared to educated up to primary level. Only 6.8 % of the consumers above 55 in rural areas are found to be educated and of which 3.6% are aware found to be aware of original brand name. Thus age, education and awareness for original brand name are related.

Group3: *Purchase decision, place of purchase and knowledge about brand.*

Based on table 2 and figure 6, mis branded products are mainly bought from local shops as shopkeeper or sales man recommends these products. Any media or advertisements do not contribute to sales.

Table 4 Factor Loading Matrix for Customers

	Component		
	1	2	3
What kind of misbranded product is being purchased?	.904		
Is there a guarantee for durables?	-.810		
How often do you buy this product?	.721		
Age Group		.798	
Awareness of Brand		.782	
Education		-.636	
Purchase Decision			.667
Where do you buy it from?			.657
From where do you obtain information about the brand?			-.640

Table 5 Awareness*Age*Education

Awareness			Education	
			Primary and below	Secondary and above
Yes	Age Group	Below 35	24	42
		Above 55	13	7
	Total		37	49
No	Age Group	Below 35	11	19
		Above 55	61	13
	Total		72	32

Figure 5   Responses on attributes in Group 2
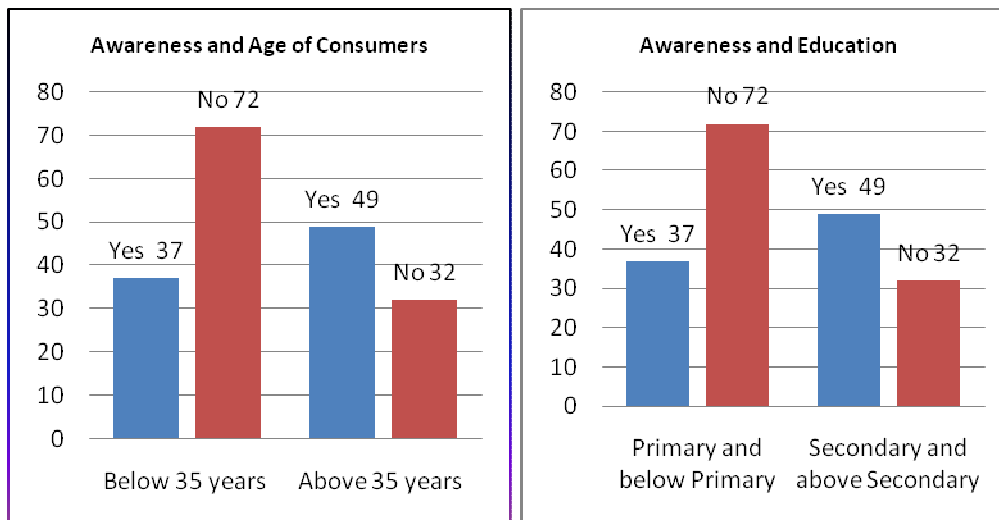
Figure 6 Purchase Decision & Place of Purchase
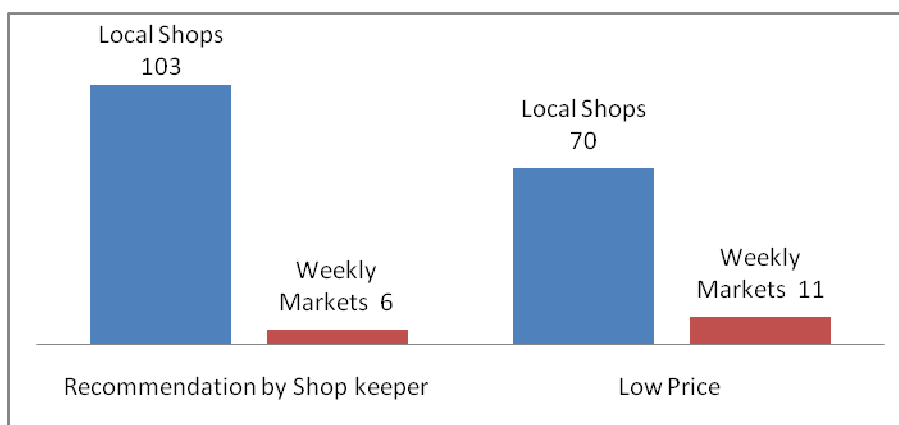
5.1.2 Association between the attributes

Chi-square test was conducted to test the association between the attributes and results are exhibited for the attributes in which case chi-square was found to be significant. Following discussion is based on the tables 6.1 to 6.7.

(1) As shown in Tables 6.1, 6.2 and 6.3, purchase decision by the consumers (of mis-branded products) is associated with product category and recommendation from the retailer. These products are mainly bought by the consumers on account of low price and recommendation of the retailer. These products do not require any media or advertisement support to sell (as seen in table 6.5).

(2) Buying decision of mis-branded products depends upon price of the product and what product is bought. Table 6.4 clearly indicates that maximum numbers of the consumers have expressed preference for cheaper footwear and this is followed by electronic items, (in terms of number of items that were purchased in a category).

Table 6.1 Source of information and influencer

Source of information about the brand	Purchase Decision		
	Low Price	Recommendation	Total
Friends/Neighbours/Media	13	32	45
Hoarding/Shopkeepers	68	77	145
Total	81	109	190
Chi-Square=4.553, P value less than 0.05			

Table 6.2 Price and influencer

Would you buy this product if other products available at even lower price points?	What influences you to buy this product?		
	Low Price	Recommendation	Total
Yes	59	63	122
No	22	46	68
Total	81	109	190
Chi-Square=4.575, P value less than 0.05			

Table 6.3 Low price and Product Category

Would you buy this product if other products were available at even lower price points?	What kind of mis-branded product is being purchased?				
	Footwear	Electronics	Kitchenware	Hardware	Total
Yes	90	24	5	3	122
No	26	9	29	4	68
Total	116	33	34	7	190
Chi-Square=47.720, P value less than .05					

Table 6.4 (Product) Awareness and influencer

Are you aware of the product?	What influences you to buy this product?		
	Low Price	Recommendation	Total
Yes	47	39	86
No	34	70	104
Total	81	109	190
Chi-Square=9.281, P value less than .05			

Table 6.5 Source of information and lower price

From where do you obtain information about the brand?	Would you buy this product if there are other products available at even lower price points?		
	Yes	No	Total
Friends/Neighbours/Media	12	33	45
Hoarding/Shopkeepers	110	35	145
Total	122	68	190
Chi-Square=36.167, P value less than .05			

Table 6.6 (Product) Awareness and type of Mis-branded product

Are you aware of the product?	What kind of mis-branded product is being purchased?				
	Footwear	Electronics	Kitchenware	Hardware	Total
Yes	**53**	**9**	**21**	**3**	**86**
No	63	24	13	4	104

| Total	116	33	34	7	190
Chi-Square=8.073, P value less than .05					

Table 6.7 Product Awareness and Source of Information

Are you aware of the product?	From where do you obtain information about the brand?		
	Friends/Neighbours/Media	Hoarding/Shopkeepers	Total
Yes	30	56	86
No	15	89	104
Total	45	145	190
Chi-Square=10.903, P value less than 0.05			

The associations depicted in Tables 6.1 to 6.7 demonstrate the linkages among the key variables identified: Source of information (Shopkeeper), Influencers (Low price and Shopkeepers' recommendation), Price (and the preference for even lower prices), product category and awareness. These will be developed in the concluding section below.

Tree Classification was performed to find out the significant attribute/s which divides the purchasers of mis-branded products. As shown in the figure 7, awareness about brand contributes significantly in making the decision for buying mis-branded product. Node 1 indicates that 54.7% of the people who buy these products are not aware of the brand of which 67.3% of them buy because of recommendation of shopkeeper. Node 2 indicates that 45.3% of them are aware of the brand of which 54.7% of them purchase because of the low price. In conclusion, those who are aware of the brand purchase mis-branded products mainly due to low price where as those who are not aware of the brand buy because of the recommendation from shopkeeper or others.

Figure 7

Tree Diagram

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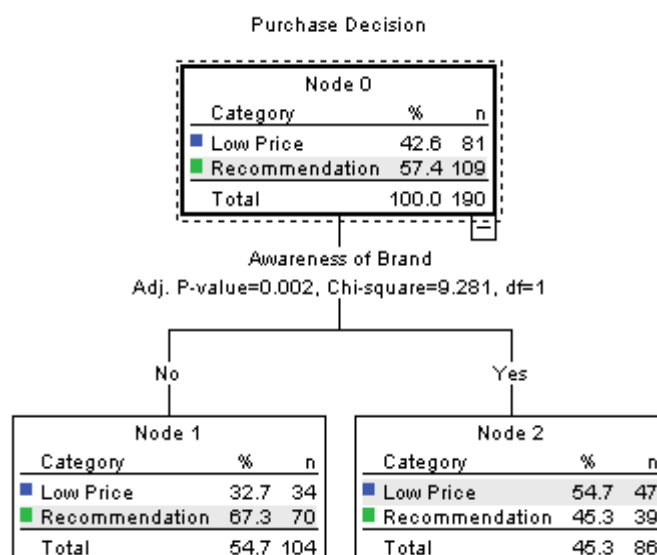
Summary of consumer responses reveal that consumers from rural or semi-urban area were buying mis-branded products because; (i) these products are cheap, (ii) shopkeepers promote these products personally (iii) are available in local shops. These are consumable products bought mostly twice a year and do not require guarantee. This would lead to a conclusion that Market for mis-branded products flourishes, not because of its brand value, but simply because of its low price and easy accessibility (and recommendation to make up for the lack of awareness).

5.2 Analysis of Retailers Responses:

Findings for the retailers based on the summary of their responses (captured in Table 3 earlier and Tables 7.1 and 7.2 below) are presented below:

1. Retailers included in the study were found to stock and sell products in footwear, kitchenware, electronics or hardware categories.
2. Guarantees flow from distributors to retailers and then on from retailers to the consumers. This clearly indicates retailers may pass on that guarantee provided by the distributors to the consumers. Figure 8 indicates that almost all the retailers who received guarantee from distributors passed them on to the consumers.
3. Majority of the retailers have no direct associations with the original brand(s) but they are aware of the original brand names as well as the original product categories.
4. Procurement of the products is done mostly from the local wholesalers (cum retailer).
5. Retailers keep the mis-branded products mainly because of customer demand and high profit margins

Concluding from the above, retailers stock and sell mis-branded products as there is higher margin as rural consumers are not overtly bothered about brand value and brand name. They buy just because of their low price. These are also consumable products which are normally bought twice a year and do not require guarantee.

Table 7.1 Mis-branded products and Product category sold by retailers

No. of mis-branded products stocked?	Product Categories				
	Footwear	Kitchenware	Electronics	Hardware	Total
1-2	5	13	15	9	42
2-5	3	3	0	0	6
Total	8	16	15	9	48

Table 7.2 Purchase decision and Product category sold by retailers

What influences you to sell mis-branded products?	Product Categories				
	Footwear	Kitchenware	Electronics	Hardware	Total
Higher Margins	3	8	5	2	18
Consumer Demand	5	7	9	5	26
Stock Clearance	0	1	1	2	4
Total	8	16	15	9	48

Figure 8 Retailers responses on Awareness*Guarantee
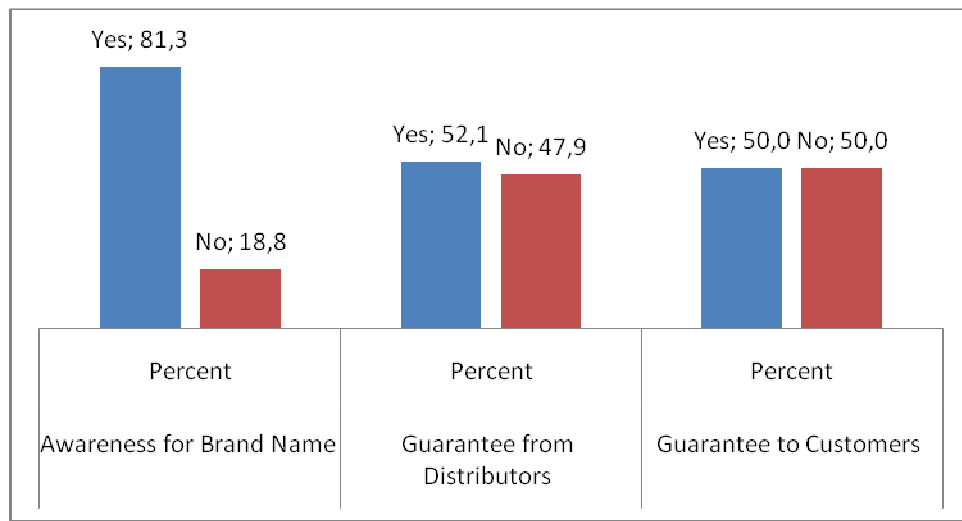
6.0 Conclusion and Recommendations

The present study establishes the phenomenon of mis-branding in select product categories extensively in the semi-urban and rural markets in and around the cities of Ahmedabad and Gandhinagar in the state of Gujarat in India. The extent of the problem in terms of other categories and the depth of distribution should be a topic for more detailed research in this newly identified problem area.

With little knowledge about the brands due to low education levels, rural consumers place a great deal of emphasis on shopkeeper's knowledge about the brand as an agent of trust. Due to socio-economic factors and class distinction that is prevalent in rural India, retailers are in a position to influence and possibly exploit the resource deficient and less educated semi-urban and rural consumers.

The lower-end consumers were seen to be driven primarily by low price (possibly on account of low income level and hence low purchasing power) and this was a key decision influencer for them as seen in Table 2. The significance of the influence of the shopkeepers' recommendation for the purchase of a product must also be noted (Q3, Table 2). During this fieldwork, the instances of mis-branding were found to be highest in the footwear category (Q5, Table 2) and visible in the summary analysis presented in Figure 2. The lack of requirement of (and provisioning of) product guarantees can perhaps be interpreted as the low expectation level of the rural / semi-urban consumer. It was a finding that the warranty / guarantee from the distributors (through retailers) provide value to the consumers. As the respondents were not keen to share their education and income details in most cases, further analysis of linkage to demographic will be left for a future study. Also the observed phenomena need to be confirmed through wider tracking of the phenomena across the State and the country.

The shopkeepers were aware that the brands (on the mis-branded products boxes) were actually associated with other successful products (Q1, Table 3). The shopkeepers were motivated to stock such mis-branded products primarily on account of the demand for these (low priced) options and the relatively high margin (Q3, Table 3). These mis-branded

products are procured from wholesalers and distributors (Q2, Table 3) that further supports the existence of an established network for manufacturing and distributing such goods.

In the context of distribution and product assortment strategy in rural market, the product category is visible on account of the front shelf space it gets, in the absence of formal marketing promotion. The retail format in rural market remains highly fragmented with wide range of brands made available since frequent deliveries are not available (Dawar, Chattopadhyay, 2000). Mis-branding is altogether different from the counterfeit / fake product issue (that is a different yet major problem for FMCG sector) in the rural markets (Rana, 2005) and analysis of the chain comprising of distributing, stocking and selling mis-branded as well as spurious products in the rural market can only be addressed through appropriate proposed legal steps to restrict their impact (Selvaraj, 2007).

Mis-branded products belong to this problem category with a likelihood that retailers are recommending such products where presence of an established name on the packaging or the product will help push products to trusting consumers.

Implication for Marketing practitioners are that there exists a visible trade of mis-branded goods, operating in unrelated categories but the potential of eroding the brand's image among non-users and potential consumers cannot be ruled out. The legal brand owners must wake up to the potential threat and nip the problem in bud by initiating a discussion followed by action against the offending parties (the manufacturer, wholesaler and the retailer of mis-branded goods).

Our study also seeks inputs on brand awareness by consumer as a variable and concludes that rural and semi-urban consumers do not take cognisance of the differences between two brands. The importance of this point is that while the consumer may be aware of the brand name used in unrelated product, (s)he does not consider this aspect of brand name as a key decision input, and thus we may conclude that to the consumer it may not matter whether a product is branded genuinely or is mis-branded. Apart from lower literacy, what plagues is ignorance and inability to get information from an unbiased and trustworthy source. Spreading and inculcating awareness through appropriate communication channel by individual brand owners, industry associations as well as other public communications is hence of absolute importance to all.

Earlier studies have suggested the improbable misuse of brand names resulting in violation of trademarks by adding a humorous spin to otherwise a serious offence (Finn, 1993). The importance of trademark in protecting brand names, (the most valuable intangible asset a company owns) is well accepted. It is highly relevant but outside the scope of our study to examine the impact of mis-branded products on sale of genuine brands in rural market. The key question here is whether the victim (say in this case of the large Indian industrial house of Tata, a brand that we found was being used to sell kitchenware) has taken steps to identify the trend and counter it. Yet another potential outcome of this research is to develop a safety mechanism, in due course, to prevent the misuse of the national and international brands to their respective owners.

It may be possible to state that Indian associations dealing with counterfeiting and other brand forgeries have not been proactive in laying down a streamlined format to reduce such aggressions. Our study focuses on the consumer's purchase (at / close to the point of purchase) in an attempt to understand the rural consumers and the factors that help promote mis-branding, by the local retailer. We do hope that this study will impact (at a macro level) through making our findings public and recommending corrective actions to reduce the menace and initiate the creation of a legal framework for supporting brand owners, in their battle with unscrupulous manufactures and member of the channel for making mis-branded goods available for purchase at the retail level.

It's important to underline the proactive role that the companies and their Marketing Communications agencies ought to play to ensure well being of the firm, as well as its consumer and other stakeholders by keeping a track not only on counterfeit goods, fake brands, spurious (but also mis-branded products, as highlighted in this paper) that take away their current and future brand-equity through misusing their brand name in the rural market especially since mis-branded goods have the potential to erode the equity of the original brand among customers in the rural and semi-urban markets in India, by providing a sub-par consumption experience. Hopefully the industry will take up the challenge to strike out the menace of mis-branding at the very root.

Another area of future research can be the source and rationale for the choice of established brand names that gets misused. These products with brand names identical to established national / international brands are being produced and distributed by manufacturers and their channel members. Thus, the rationale of the manufacturers of use of well-known national and

international brands for Mis-branding low priced consumer durables remains to be ascertained.

The last possibility that the authors hypothesize while concluding is that retailers sell mis-branded products in rural and semi-urban markets as margin of the profit is higher and consumers' demand for cheaper products. This also needs to be verified through a future study.

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Annexure 1: List of the villages selected for this study

District	Village	District	Village
Ahmedabad	Shela	Ahmedabad	Narol
Ahmedabad	Ghuma	Ahmedabad	Changodar
Ahmedabad	Sanand Market	Ahmedabad	Kamod
Ahmedabad	Shilaj	Ahmedabad	Aslali
Ahmedabad	Bopal Village	Ahmedabad	Charrodi
Ahmedabad	Makarba	Ahmedabad	Vithalgadh
Gandhinagar	Gota	Gandhinagar	Vatwa (GIDC)
Gandhinagar	Tejpur	Gandhinagar	Adalaj
Gandhinagar	Sananthal	Gandhinagar	Vavol

Annexure 2: Complete list Brand names found during the mis-branding study

Footwear	Electricals	Kitchenware	Hardware
Color Shoes	Nokia Speakers	TATA Pressure Cooker	Rasana Paints
Flair Shoes	Zen Switch	Reliance Pressure Cooker	Zen Locks
Idea Shoes	Amul Torch	Maggi Pressure Cooker	Citizen Umbrella
Montex Shoes	Vodafone Active angle holder	Toshiba Pressure Cooker	Bajaj Lube Grease
Good day Shoes	Airtel Radio	Amul Pressure Cooker	Satro Rubber Tubes
Astar Shoes	Maruti DVD player	Samsung Mixer	Santro Luggage Bags
i10 Shoes	Zen Heating Elements	Eveready Stove	Reliance Rubber Tubes
Rediff Shoes	Rexone Ceiling Fans	National Stove	
Sony Chappals	Amul Ceiling Fans	Cielo Cooker	
Airtel Chappals		Nirma Cooker Gaskets	
IPL Chappals		Videocon Mixers	
		Good day Tiffins	
		Action Orange Juicer	
		Rexona Tray & Dinner Set	

Annexure 3: Photographic evidence of Mis-Branded Products

AMUL is a market leader in India for Milk & Dairy products since 1966 and this household brand name is used in kitchenware category of products (pressure cooker in this case).


Path breaking success of IPL (the INDIAN PREMIERE LEAGUE for marketing cricket in T20 format) is being misused by encashing the brand's popularity in a different product category like footwear.

A retailer selling ZEN bi-cycle locks. Maruti Suzuki ZEN is a popular brand name in Indian automobile industry.

Reliance – India's largest private company has brand presence in plethora of industries like telecom, textile, and energy. Brand name is misused in variety of unrelated product categories like pressure cooker.
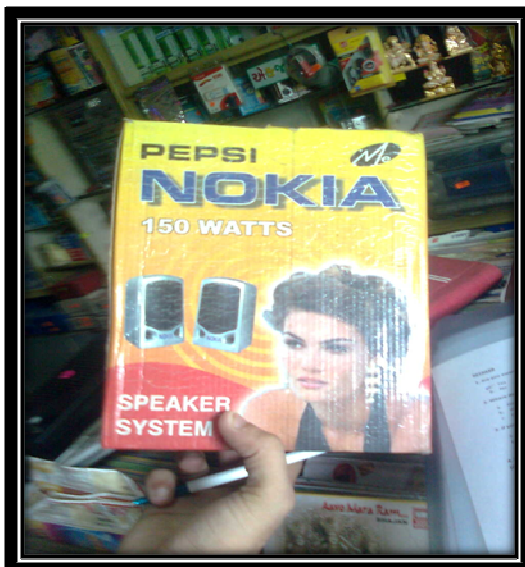
NOKIA is a market leader in mobile phones and the brand name is used for augmenting the sales of mis-branded speaker systems.

TATA brand name, synonymous with trust, being wrongfully used for mis-branding a pressure cooker, in the kitchenware category.

Parker, operating globally (and associated with quality writing instrument) has its brand name being misused in an unrelated category to promote and influence the purchase of an electrical appliance for rural / semi-urban consumers.

Acknowledgements

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