

TATA-The Evolution of a Corporate Brand

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When people think of corporate brands such as value for money, reliability and so on, they think with their minds, but when they think about Tatas in India, they think with their hearts...

"What does make the Tata brand? Where does it come from and what is it based? How is it perceived by customers, by employees, by the financial community, by government, by the people of India and the people of other countries where the group does business and by other members of the Tata group? Answer to all these questions are given in the book "TATA-The Evolution of a Corporate Brand" which is written by Morgen Witzel and is foreworded by Ram Charan.

This is a book about the Tata corporate brand-how it has evolved, how does it function and what is the perception of others about it. Morgen Witzel, an honorary senior fellow at the University of Exeter Business School and a senior consultant with the Winthrop Group of Business Historians, has authored 15 books on business and management. In the year 2009, 65 per cent of the revenue of the Tata group was from outside India; it is only natural for people both within and outside India to know more about the group, its brand and what does that brand stand for? The author digs into the heart of the Tata group, and describes its origins. Also about evaluation of its reputation and image thereby a powerful and valuable corporate brand.

The distinctiveness of the book is that it is lesser concerned with issues of monetary value in it, than with what the brand is and what it does. As the book shows, it is impossible to understand the Tata corporate brand without understanding the symbiotic relationship that brand has with the various Tata company brands and Product/Service brands.

Tata-Corporate Brand Evolution

Since the liberalization of the Indian economy in 1991, Tata has been subject to global competition, making it imperative for the group to become competitive against the new entrants.

To gain scale, to reduce their exposure to the cyclicity of India's economy, to survive, and to achieve a sustainable competitive position in globalizing industries most Tata companies looked overseas.

Tata's recent experience is an excellent case for analyzing 'accelerated internationalization' (Matthews, 2002). As it pertains to a challenger conglomerate from formerly peripheral areas that goes international in order to access resources; to access new markets (e.g., in BPO services), the opportunity to integrate the value chain (e.g., in steel), and to have more brand control (e.g., in tea). This strategy proved feasible because of the visionary leadership; possibility of leveraging the developing financial markets in India; large domestic market and global liquidity; and ability to react quickly to specific opportunities.

Tata is active in seven major business lines: information systems and communications, engineering, materials, services, energy, consumer products and chemicals. Prior to independence, Tata Group pioneered several "firsts" in Indian industry. To name: private sector steel mill, private sector power utility unit, luxury hotel chain, production of ammonium sulphate, and the international airline. Tata also helped revolutionize business practices in India. From institutionalizing the eight-hour work a day and paid leave to providing a retirement gratuity, it created a parameter standard to which other companies and eventually Indian government regulators - measured themselves.

Tata, with its strong corporate culture (Hirota et al., 2007) and unique business model, is exemplary in turning corporate citizenship into business. The value of the brand itself is associated to the philanthropy of trusts of the company.

The corporate brand is compared to a prism, refracting light in different directions through its different facets, and creating shapes and impressions in the minds of the stakeholders around it. Tata is connected to the people of India, either in terms of social commitment or in terms of providing products and services that are good for people and that people need.

Tata is over 140 years old, with twenty eight publicly listed companies, operations in over eighty countries and exporting products and services to over eighty five countries. From small beginning in India, Tata now has a major international reach with 65 percent of the group's revenue drawn from Business outside India. Latest figures show revenue of \$70.8 billion in the financial year ending in 31 March 2009. Tata: The Evolution of a Corporate Brand is not just a story of a successful financial powerhouse. This is the story of the values of Tata: about what does lie beneath the day to day activities, it's DNA and how does it underscore its economic success while fulfilling its societal mission?

The Tata experience suggests that the strongest and most enduring myths and symbols are those created by action, by engaging with people, by revealing and making explicit the firm's values and then living by them, consistently day after day.

First Chapter provides an overview that what do corporate brands do? How does it influence organizational activities from top to bottom? The author defines corporate brand as its values and its identity, and explain these to all stakeholders; customers, employees, investors and society at large. Individual brands fight their own battles. It also suggest that three key values lie at the heart of the Tata Corporate brand: trust, reliability (especially in terms of quality and value for money)and service to the Community. 'The corporate brand provides air cover.' It explained as the metaphor of an umbrella

with the corporate brand providing shelter and protection for the smaller product and service brands. The Tata brand not only provides 'air cover' or an umbrella but also draws strength in return form the individual brands. The success of the Nano has strengthened not just Tata Motors but the entire corporate brands.

The author discusses about the values followed at Tata group. The values exert influence in three ways. First they influence strategy, including brand strategy at both the group and the independent company levels. Second they influence individual actions and behaviours. Third the values also directly influence stakeholder perceptions. Every employee of every Tata group company is required to sign the group's code of conduct and abide by it. Tata's values are well known and widely disseminated in India. The values help to guide and shape the relationships that the group companies build with their stakeholders. Values of TATA group reflect in J.R.D Tata's statement for value that 'what came form the people has gone back to the people many time over'.

Author discussed about evolution of Tata Group and of its reputation and image in the second chapter. It takes a detailed look to explore how did that vision develop, how did it take form in three of the businesses J. R. D. Tata founded; Empress Mills, The Taj Mahal Hotel and Tata Iron and Steel Company (TISCO), now known simply as Tata Steel. It also narrates Jamshedji Tata as a strong brand in his own way. He lived the brand, putting into practice the values he espoused. The story of Jamshedji Tata makes clear the linkage between values, actions and reputation, the same things that lie at the heart of every strong brand.

The Third Chapter notes about (over the years) the rich myths and stories collected over the years about the Tata group and its leaders . It narrates consensual style of Tata to build corporate brand image. J.R.D Tata believed that the entire purpose of business was service to the community. The Tata group also became a symbol of rectitude, at a time when corruption in India was rising steadily. While other companies paid bribes to gain public contracts, the Tatas were the upright to sooner lose a contract than dishonour

themselves through bribery. Trust and integrity are hallmarks of the Tata reputations. It also discusses about dedicated human resource department and practices implemented at TISCO and other Tata companies. Jamshedji Tata preached as well as practiced that 'Good human relations not only bring great personal rewards but are essential to the success of any enterprise'. J.R.D Tata may well be a source of continuing inspiration as the Tata brands goes global.

The Company conducted programs and activities which had their obvious impact: a positive feeling associated with the Tata name. Tata is perceived to be a 'good' organization, one that puts people, planet and services to the community before profits. The reputation for 'goodness' not only increased commitment from employees, customers and others, but also fostered innovation and business growth.

Chapter Four describes the development of the corporate brand beginning in the 1990s. Prior to this point Tatas had made no attempt to develop a corporate brand, and individual companies used the Tata name as they liked. How the brand was created on the foundations of that reputation, is the theme of this chapter. It discusses codification of brand based on various examples such as TISCO, TELCO, TOMCO, TITAN AND TRENT. Brand codification techniques helped to draw the companies of the group back together and to identify with the common values that the group embodied. Also it helped the group and its member companies to present a much more coherent set of brand images to the world at large. The chapter also narrates about Tata's brand tracking dimensions viz., brand relevance; brand affinity and brand personality. Brand tracking studies showed that Tata group is more innovative than other Indian companies. The organization's identity is seen from the perspective of all members of the organization, who are also the recipients of messages. Interpersonal interaction is the dominant communication channel to build brand image.

Chapter Five focuses on 'Brand Symbiosis'. It is an assessment of the brand as it stands today, and the

symbiotic relationship between the corporate brand and the individual company brands. The chapter gives a brief outline of ten Tata group companies viz., Tata Steel, Tata Tea, Tata Chemicals, Tata Tele Services, Tata Motors, Tata Consultancy Services, Titan Industries, Trent Taj Hotels, Resorts and Palaces , and discusses how does the relationship function. The main objective of this chapter is to look at the relationship between the corporate brand and other company brands and to show how does that relationship function and describes the relationships within one family of brands.

It gives brief outline about how did the relationship between Tata and its stakeholders has change. Different stakeholder groups have different perceptions. Employees, business partners, the financial community, government and the society at large all have their own perceptions of the corporate brand, and brand managers neglect any of these groups at their peril.

Chapter six narrates the way in which the Tata brand turns to consumer brand. It gives brief outline about brand image in Indian consumer mindset. Also it discusses the relationships that different customer groups have with different Tata brands, corporate, 'Company' and Product/Service brands. Brand tracking studies conducted for Tata show that within India, at least, customers have a fairly consistent view of the Tata brand. Indian consumers see Tata as trustworthy, safe, reliable, a provider of value for money innovative, modern and stylish. Western consumers know very little about Tata and therefore they associate the brand with Indian culture, heritage and mythology rather than the 'Tata-ness' that provides the psychological background. Lacking exposure to the Tata brand, they judge it according to what they perceive to be its Indian-ness.

The chapter highlights that a new generation of customers worldwide needs to be persuaded to join in and help to share the Tata myth, creating it and adding to it as they move along.

Chapter seven looks at the brand form the perspective of employees. In India the employer brand is very

strong. Because Tata has worked hard to make it so. Engaging with employees, demonstrating trustworthiness and commitment, providing a series of sustaining myths give the brand a strong identity and allow workers to participate in the Tata story.

The chapter highlights about how to create and sustain employer brand in the organization? Instead of thinking about employment relationships as a stand-alone brand, HR should focus on customizing its practices to align the employee with the corporate brand. This makes the seamless integration of employer brand with the corporate brand. A strong employer brand offers a number of potential benefits. A brand that effectively codifies the company's values can play a major role in communicating those values and thus in strengthening and reinforcing the firm's culture. The chapter discusses about various Tata's corporate level activities to build employer brand.

Chapter eight describes perceptions of the Tata brand by other stakeholders, including government, media and financial community. The author highlighted some of the ethical practices which were accepted during the financial scandals in the company and also depicts how Tata companies created a solid, safe and sensible investment image in the minds of customers. The Tata financial brand seems to have lagged behind the other part of the corporate brand, where innovation, vision and forward thinking have become strong attributes. Tata's financial brand position at national level is described with some of the examples in chapter, Tata Motors, Tata Steel, and Tata chemicals. A sense of fairness and responsibility is a key attribute of Tata's financial brand which was discussed with few incidences of the company. Tata group has not given equal weight to financial stakeholders. Company has not devoted the same level of attention to their financial brand as they have to the other aspects of their corporate brand, and this is reflected in the group's reputation in financial circles.

Chapter Nine focuses on Tata's brand in terms of its reputation in India. Service to the community has always been one of Tata's core values. It is one that

people can buy product from, or invest in, or work for, and in doing so feel good about themselves. The chapter also narrates about Tata's brand values. Tata does not, as a whole, advertise its nation-building and community service projects in India instead they are covered in public documents, annual reports and occasional reports on the company's websites, but it does not take out ads in the press to tell the world about its activities. And this in turn is a powerful element of the brand, contributing far more value than any PR campaign ever could.

The Final Chapter concludes with Tata's overall branding strategies with corporate social responsible concepts and cause related marketing strategies, community services and brand value. The Chapter summarizes Tata's approach to brand management and looks at some of the key challenges facing the brand. It includes the modernization of India and, especially, Tata's increasing exposure to and involvement in world markets. Tata lives its brand because its values are so deeply inculcated in the organization's culture that this is its natural course. Tata has achieved what corporate brand commentators refer to as 'alignment' between culture, values and stakeholders.

Overall, this book tells the story of the Tata's corporate branding activities. The corporate brand can be compared to a prism, refracting light in different directions through its different facets, and creating shapes and impressions in the minds of the stakeholders around it as Al and Laura Ries (2004) write in their book. The most successful brands take off like an airplane, not like a rocket. That is, they lift off the ground slowly and proceed towards at a steady trajectory, rather than rising vertically in the stratosphere.

Brands are created by stakeholders, customers and communities, and their experiences. "You have to stand by your word and deliver your promise. Brand owners have a responsibility towards their stakeholders and Tata has kept this in mind very well".

In his book, Witzel quotes Ratan Tata as saying, "If you fail to do what you promise, then everything gets thrown away. Your words have no meaning to anyone. Perhaps, that linkage rings true on the premise that the Tata group strives to deliver. Tata is connected to the people of India, either in terms of social commitment or simply in terms of providing products and services that are good for people and that people need.

A corporate brand is not something that is created by management. Many people are involved in its creation, inside and outside the company, and management can only hope to act in the role of guide and tutor, influencing and nurturing the brand as it develops over the course of years. In its mature stage a corporate brand is a complex agglomeration of symbols, image and myths which all stakeholders interpret according to their own past experience of the brand. The Tata experience suggests that the strongest and most enduring myths and symbols are those created by action, by doing things, by engaging with people, by revealing and making explicit the firm's values and then living by them, consistently, day after day. Tata: The Evolution of a Corporate Brand goes to the core of the Tata ethos to explore the unique relationship between the Tata group and the Indian people, a relationship that goes beyond the achievements of a successful business to its social contributions for its employees and to society at large. Whether an entrepreneur, a manager, a marketer or a student or an interested Tata loyalist, this book will help to understand the durability of the brand and inspire them with the values the brand holds on to the global economy.

This book does not give a complete profile of the Tata group and many Tata companies including some large and old ones like Voltas, Tata Power, Tata financial services.

The reviewer takes the opportunity to suggest this book as a must read for Management students, academicians and strategy makers. It would be very useful to examine branding strategies of the firm.

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