

A STUDY OF THE IMPORTANCE OF BRAND SUSTAINABILITY FOR ORGANIZATIONS WHO ARE DECLINING IN MARKET SHARE AND GROWTH

P. Kumar¹ and P.M. Kulkarni²

¹ Dr. D. Y. Patil School of Management, Lohegaon, Pune

² Dr. Moonje Institute of Management and Computer Studies, Nashik
gempankaj@yahoo.com

ABSTRACT

Each brand goes through the numerous life cycle stages. Fundamentally, as per the brand life cycle theory, brands initiate out by being introduced, grows, matures and deteriorates. Brand sustainability (BS) strategy is a major life-saver medicine for such shrinking brands. While this decline may be inescapable, it still can be feasible for struggling organizations to make some profit by shifting to less-expensive manufacturing techniques and cheaper marketplaces. The key is knowing that the decline stage is unavoidable for the struggling organization and should seek marketing strategy for declining sales and maintain stage and try to get maximum profit that can be possible (Smallbusiness.chron.com 2021). This paper highlights the reasons for the slippages of the organizations on the life cycle and the eminent role of brand sustainability in increasing the life-line of the brands.

Keywords: Brand Sustainability, Struggling Organizations, Marketing strategy.

1. Introduction

Numerous struggling organizations have been struggling with critically declining brand identity in the digital era. This paper aims at highlighting the role of brand sustainability in helping out organizations that are on a decline. It examines some key reasons for brands going into the decline phase. The paper illustrates how BS actually helps brands to pull on their stay in the market.

1.1 Why organizations face decline in market share and growth

The organizational life cycle comprises of 4 main phases: start-up, growth, maturity and decline. An organization initiates as a concept and ultimately grows, becoming progressively intricate. As the organization reaches maturity, more shareholders are comprised, and additional resources are needed for fruitful business decision-making and sustainable profitability. A mature organization will eventually struggle with decline unless it diversifies its structure or offerings to meet current market wants. Competitive forces, resistance to change, obsolete technology, and economic downturns are distinctive reasons for organizational decline.

Competitive Forces

Competitive forces may generate a hurdle to entry that is difficult for a new business to overcome. For instance, an established

organization may have the benefit of frugalities of scale resulting in lesser manufacture costs and overhead or use a hostile pricing strategy, such as selling few products below cost to upsurge customer influx, which may possibly put a stranger out of business. Even if an organization overcomes these barriers, effective leadership and tactic should remain in place to counteract competitive fears that may hinder growth and reduce market share.

Resistance to Change

Over time, as the business steadies, organizational leaders often focus on efficacy and take a conservative method to decision-making. An organization can become more inclined towards risk and fail to recognize and address inner and outer fears to the business. The inability to accept varying circumstances may unfavourably affect profitability. For instance, though the digital revolution was taking place, Kodak failed to take an initial step to move its paper-based film product to a digital product, which resulted in its bankruptcy.

Outdated Technology

As an organization grows, it may goal to capitalize on revenues and not assign resources to substitute inheritance systems or invest in innovative technologies to keep stride with its competitors. Outdated technology may lead to compatibility problems, ineffectual

communications, slower business measures and poor client retention. An established organization's technological investments may also remain stationary due to the consideration that its existing technology is adequate for its requirements. Meanwhile, competitors could be implementing novel and more effective strategies of running business, gaining a competitive benefit.

Economic Downturn

An economic downturn adversely affects several aspects of an organization and ultimately may cause its failure. For instance, a rise in redundancy will affect customer expenditure by reducing disposable and discretionary revenue. In turn, an organization may need to downscale, discontinue r&d and cut other charges, which may decrease the quality of its goods or services. A poor economy also makes procurement lines of credit and the capability to pay existing liability more difficult, which may leave an organization with the incapability to stay afloat (Bizfluent.com, 2021).

1.2 How in such cases BS helps

Free market capitalism is a monetary system that can create enormous wealth and prosperity for countries and their inhabitants. It is also a system defined by competition that generates winners and losers. While this competitive procedure can lead to innovation and creation, it can also deteriorate the market share of existing organizations, with the worst case leading to bankruptcy and affecting brand sustainability.

Lowering Prices

By lowering prices, companies hope to trap customers away from competitors and generate brand sustainability. The advantage is a greater market share, but it has the disadvantage of small margins per unit.

This tactic is particularly attractive to large companies that have high economies of scale that permit them to function at either a lower marginal cost than their competitors or that make it feasible to function at a loss if needed. It's risky because, once prices drop, it can be hard to increase them again, unless the company recovers enough market share to remove its competitors.

Promoting the Brand

Another approach for brand sustainability is to alter its approaches of promotion, which can include raising the advertising budget or applying the power of branding for the company. Depending on how well company leaders recognize the specific problems that need to be addressed, playing with promotional efforts can be very fruitful, or frequently just simply a costly exercise.

Updating Product Offerings

Lastly, a company can revamp its offerings to better meet customer requirements and gain brand sustainability or to provide something new. Apple effectively applied this tactic in 2014 by presenting the iPhone 6, a significantly revamped version of its smartphone. An immediate hit, it has empowered Apple to take back some of the market share it had lost to Google's (GOOGLE) Android. This tactic can be united with rising prices to introduce another feature of differentiation or to position the company's offering as a finest product.

The Bottom Line

In free-market economies, brand sustainability is vital, and competition leads to different companies possessing a different sized piece of the pie, meaning that all companies will have a diverse market share of the goods or service they vend.

When a company loses its market share to a competitor, there are a few methods that they can try and receive it back. These comprise lowering their prices, endorsing their brand, and updating their product offering. All of these tactics have their advantages and disadvantages, and not a single one is sure to help, but they will initiate a brand sustainability on the correct path to make the brand more competitive again.

2. Literature Review

Nilssen et al., (2019), found that, the study aims to describe the comparative significance of sustainability as a buying criterion in South African retail for food and clothing. A mixed-methods tactic was applied. A target group study was held to get the primary information and later a review of 558 participants was led

out applying conjoint analysis. Outcomes of the targeted group recognized the norms that manipulated the buying of food as amount, quality, suitability, caring behaviour towards animals and the organic constituent of food. For clothing buying, the norms were amount, fit, quality, brand demand, and the organic constituent of the cloth. In the conjoint study, it was seen that though sustainability-related features were measured in the buying decision, other features played a more vital role during the buying decision procedure. Suggestions are recommended for retailers.

Majerova et al., (2020), found that, sustainability of food production and consumption has become a significant topic to discuss of sustainable development in worldwide framework. One of these traditional administrative notions is brand. Within this background, it has been measured as an implementor of CSR (corporate social responsibility) events. The chief aim of the study is to recognize pertinent brand value origins of faithfulness in the scope of sustainable brand management of nourishing products. To attain this, the factor analysis has been used to offer statistical assessment of information gained from the questionnaire review. The study has discovered that mechanisms of brand value origins do not differ while equating brands and those without faithful customers. Hence, suitable suggestions for the model and implementation of sustainable brand management of nourishing products have been expressed.

Noh & Johnson, (2019), found that, the study aims to examine to what limit sustainability efforts (vs. deficiency of sustainability efforts) restrained the associations among customers' brand appeal, customer-brand (C-B) recognition, brand presentation and brand faithfulness. A set of 1297 grownups was employed to evaluate the study. In the projected study, customers' insight of a clothing brand's sustainability efforts played a vital role in the optimistic impact of C-B recognition on brand faithfulness. clothing brand category did not restrain the associations among sustainability efforts and brand faithfulness. Substantial outcomes could notify clothing brands' decision making in the growth of effective and gainful sustainable tactics.

Ray & Sharma, (2020), found that, there is a gap in study regarding understanding how Asian information technology (IT) firms can become worldwide brands to attain brand sustainability. The study evaluates the impact of brand strength on sustainable worldwide branding for Asian Information Technology firms. Survey led with model size of two hundred and twenty-five IT clients. Outcomes demonstrate an optimistic association between brand strength and worldwide branding; among brand faithfulness and brand sustainability; among worldwide branding and brand sustainability. The accomplishment (or lack of it) of IT organizations in Asia can possibly influence the performance of organizations in other segments and other evolving areas as well.

Ishaq & Di Maria, (2020), found that, brand equity, a tactical marketing strength, can prompt a friendly, exclusive association that exemplifies the bond among goods and clients. An important feature of brand equity is sustainability, which has developed as a supreme topic in ecological worries that companies cannot oversee. Hence, this study offers a detailed scrutiny that brings relations to dispersed brand equity study, which simply discusses sustainability/greening as an important feature. In doing so, the study submits that the sustainability dimension in brand equity can be cooperative in two aspects: (1) companies can apply this idea to alleviate customer scepticism regarding green characteristics and brand functionality; and (2) it binds the important faults in the existing conceptualization of brand equity, which can serve as a motivation for hypothetical reliability and its improvement as a measuring instrument. The study also put forth that the idea of brand equity should comprise a sustainability model other than marketing resources and shareholder value.

Dressler & Paunovic, (2021), found that, the study discovers SME (Small and Medium-Sized Enterprises) brand tactics as a means to locate and efficaciously involve in competitive marketplaces. A 2 - step clustering approach thus recognized 8 winery SME brand tactic types. The significance of sustainability across the recognized 8 brand tactic types is important. Co-creation has become an

important outlining trait illustrating one brand tactic type. The typology exemplifies tactical richness, with brand tactics inclined mainly on traditional standards, on sustainability, on exterior status, or on more ground-breaking client-centric notions such as co-creation. Winery brands that are categorized by involvement in digital co-creation may be either tend to enlarge their opportunity or partly combine it with traditional standards, creating them the most varied type recognized. Sustainability clearly needs to be addressed by all brand tactics. In spite of industry and country attention, the scrutinizers exemplify the significance of socially-oriented summarizing and highlights that sustainability has reached a position of an essential business approach still permitting to distinguish on it. Li et al., (2019), found that, various heritage enterprises have been dealing with critically deteriorating brands in the digital age and are in anxious necessity of brand revival. This study examines how a heritage enterprise attains brand revival for cultural sustainability in the digital age. Applying a Chinese heritage enterprise as a case firm, the study recognizes 3 chief procedures of brand revival (i.e., redefining the heritage brand, delivering the updated image to customers and rebuilding the market limits of the heritage brand) for attaining cultural sustainability and inspect the thorough mechanisms of each procedure. The conclusions recommend that several brand revival efforts depend severely on the usage of numerous digital technologies. Hypothetical and empirical contributions are also discussed. Ouvrard et al., (2020), found that, the wine sector is not free from ecological fears. The study aims to discover the owners/executives' interest in ecological sustainability problems in their business strategy and to analytically comprehend a business model in the wine sector. Applying a qualitative method, this investigative study permits us to detect the phenomenon in a natural background. 11 candidates were chosen from wineries located in France and Italy. The study discloses that sustainability is a significant problem in wine industries that forms the business structure. Emphasizing the ecological features of wine production, the 4 components of a business structure, i.e., performance, resources,

modernization and value creation (PRIV) have observed from the interviews. The sustainability and ecological problems are reflected in business models in the wine sector.

Dumitriu et al., (2019), found that, a cohesive context for handling the constant improvement of the brand equity level by accepting digital marketing tools and techniques (DMTTs), has progressively become a requirement for most of the contemporary SMEs. A hypothetical model is offered in the first part of the study, with the goal to emphasize an outline that will aid emphasize the associations among DMTTs and other chief fundamentals that can offer a rise in brand equity of SMEs, hence contributing to development and improving the sustainability level. Using the proposed model, study targeted at 2 main directions has been led in the second part. The first step was to assess the extent to which contemporary SMEs from the European Union positioned in Romania dedicate themselves toward embracing sustainability aims and values. The second one indicates an investigation applying the SPSS s/w solution on the most used selections of DMTTs declared in the offered theoretical model. The outcomes gained offer an initial point for those contemporary SMEs that select to trail the path of sustainability by generating and improving their brand equity through DMTTs.

Mena et al., (2019), found that, the study applies a qualitative approach utilizing a semi-structured interview of 11 informants, to discover the notion of CBBE in the setting of automotive brands. Moreover, the study discovers that in automotive brands, the role of social media interactions enhances CBBE. The outcomes of this study validate that CBBE is an effective notion that reflects customers' insight and attitude towards their understanding, which are reflected through brand alertness, hedonistic brand image, useful brand image and brand sustainability of automotive brands. The hypothetical insinuations of these study outcomes provide an understanding into the viability of evolving a definite CBBE model for automotive brands. Practically, this study offers understandings for brand executive on the significance of

enhancing CBBE through social media interactions.

3. Role of Brand sustainability

The researcher has used some recent case studies to illustrate how brand sustainability has helped organizations and brands to offer resilience in a shrinking market. These case studies are discussed below:

Li et al., (2019), found that, Fengtong Antique Inkstone Co. Ltd. (FT) is an inkstone manufacturer originated in 1980 and situated in Yi County, Baoding City, Hebei Province, P. R. China. For nearly 40 years, starting from its establishment, the company has focused on the growth, manufacture and advertising of traditional Chinese inkstone goods. With its attractive handcrafted inkstone and unique design idea, FT relishes a robust status in the sector of Chinese calligraphy and painting. It has earned the 1st rank in China's national "Hundred Flowers Awards" and "arts and crafts design prizes," "time-honoured brand" rank, etc.

Though, the growth of FT was not an easy journey. FT started to experience a serious decline in brand status and goods sales in 2010 as it could not react swiftly to ecological variations. In 2014, FT altered its business tactics and slowly energized its brand through the use of digital technologies, leading to an improved brand reputation and augmented sales capacity. The study introduces the growth of FT in two eras: the brand weakening phase and the brand revival phase.

Fan & Zhou, (2020), found that, in the period 4 decades of enhancement, NE·TIGER (NT) or NT initiated with the design and manufacture of fur products and converted to be the foremost leading brand in the Chinese fur sector. As the brand established, NT launched a sequence of wedding attires, gowns, Chinese clothes, ready-to-wear products and more. Its exclusive corporate attitude has made it into the most representational and famous independent local luxury brand in the Chinese clothing sector. Though, the brand's extensive culture gratitude was not attained overnight. Its disappointments in the global marketplaces caused noteworthy monetary losses and seriously affected the brand's worldwide stance. As a result of these failures, NT was

underprivileged of the chance of being the first international luxury Chinese brand, something that has been the planned aim of the brand. Though, through the acceptance of TCRs, the company achieved brand popularity, recovered from its failures and attained global reputation. The NT brand has been primarily reformed and defined by its unique national image.

Soviar et al., (2019), found that, Volkswagen acts as a company that desires to shape its future as an organization on innovation and socio-ecological intellect. It offers itself as the largest employer and, today, it employs more than 627,000 individuals.

Simultaneously, it covers other automobile brands such as Bentley, Audi, Seat, Lamborghini, Ducati, Porsche, etc. The company emphasizes on a wide portfolio of cars. They describe themselves as the largest carmaker, with manufacture figures reaching up to 10.3 million. The customer and public view of the company and its products is significantly more adverse because of the 2015 emission scandals, which have caused, among other things, a failure in the reputation of the company and a 20% decrease in car sales.

They also want to become the world leaders in manufacture and regain their brand sustainability.

After the disgrace, VW's consumer-friendly recommendations in the online environment fell by 67% and negative recommendations increased by almost 2000%.

Currently, the company is gradually recovering its reputation, its brand sustainability and regaining the trust of its clients. On the other hand, Volkswagen is comprised in the socio-ecological area of ecological growth, which is also related to innovation in the manufacturing sector. In the near future, they want to endure to produce innovative electric cars that will protect the environment. For the country's progress, they help the residents by investing money in education, science, health and sports. Pimonenko et al., (2020), found that, in 2014, PJSC Arcelor Mittal KryviyRih and Mentinvest Group had the lowermost of variable G5 (the data on the official website screened the company's real economic aims). At the same time, PJSC Dniprospeetsstal had the lowermost value of variable G2 (the non-financial report was not offered on the official

website). In 2015, the drift regarding indicators altered. Therefore, Metinvest Group had enhanced its position on almost all variables. In this case, the pointer G4 (the data about the green attainment on the official website was overstated) worsened. In 2016, the illustration for PJSC “Arcelor Mittal KryviyRih” was the identical extent as in 2014; Metinvest Group and PJSC “Dniprosnetsstal” enhanced their standards for nearly all pointers. According to the conclusions of PJSC “Arcelor Mittal KryviyRih” in 2017, it had the finest value in all the variables. Simultaneously, PJSC Dniprosnetsstal and Metinvest Group significantly deteriorated their spots. In the first place, this may be activated by an unsuccessful plan of reorienting these companies to the European market. Moreover, political and monetary conflicts in Ukraine pose adverse effects. Additionally, as in JSC Dniprosnetsstal and Metinvest Group, the management partly printed data about the green aims of the companies. Note that lack of clarity, misperception and lack of transparency in the management construction of the Metinvest Group lead to an upsurge in mistrust toward the company, which in turn undesirably affected its status and outflow of investments. Moslehpour et al., (2019), found that, neither Indonesian nor Taiwanese customers observe HTC as a prestigious brand. For the Taiwanese populace, this discovery is reliable with an alike earlier study of HTC in Taiwan. The outcomes, though, are different for Apple smartphones. Apple smartphones are professed as respected in both Taiwan and Indonesia. The impact of prestige value on the price premium is, though, very different. Taiwanese consumers, maybe due to a exclusive standard of living, are able to pay a premium amount for a prestigious product. In other words, for Taiwanese, it is value to pay more for luxury. It is a matter of social status and feeling exclusive. For Indonesian customers, if a product is professed as prestigious, then it has to be more costly for no good reason rather than status. Indonesian customers pay for the quality of the smartphone, but not for the brand name. The insight is that if a smartphone is a prestigious international brand, it carries higher prices. This is not an astonishing discovery for countries with low GDP per capita.

Fan & Zhou, (2020), found that, as per earlier studies, it can be evidently noted that brand culture is affected by traditional cultural resources. In the primary stages, brands relied on learning from the experience of other brands, so the sign data of clothing brands conveyed by its clothing language would have commonality. Within the global market, few brands did not have a strong brand or product advantage as a result of this decision. Thus, this made them vulnerable to erratic external factors such as special events, financial crises, political tactics, etc. This indicated that those brands lacked a global standpoint, and it can be said that they needed individuality compared to similar clothing. In terms of the domestic market, these brands have led a drive to bring out the old and revolutionize using it to create something new. This has changed old-style audience thought in clothing and those brands has leveraged this change to enhance the culture and fame of the company’s brand. However, success in the domestic market did not interpret to a competitive benefit against international luxury brands. Partly, this was because these few brands focused chiefly on the material (fur) sign rather than their exclusive brand cultural expression as a means of conveying luxury in the primary stages. Later they started to look for motivations in local culture and started mixing these resources to create modern clothing products. These products combined traditional culture signs and described unique sign-meaning and orientation. By evaluating the clothing data in brand events, it not only affected those cultural brands but also displayed other sign-functions. These functions aided to increase brand recognition and importance in the public perception and in doing so helped to build a luxury brand that is sturdily fixed in society.

Fan & Zhou, (2020), found that, a shift from a generic brand to one linked to a strong identity of social assistance can be significant. Later, this shift can, with appropriate leveraging of TCRs, found a new community notion for the clothing brand. Though clothing is used to expand brand information through fashion shows, it can be noted that the language of clothing addressed to the audience has transformed. Traditional cultural resources

have extended the scope of the brand's target audience, through data dissemination and made things more favourable to audience involvement. Though there is a set of individuals who may never become brand customers, they may assist consumer behaviour. For instance, there may be a significant section of the population who may never purchase the certain brand, yet they may like and admire the brand. If brand communication can change the perception of the audience, then the audience will produce behaviours that are beneficial to the brand. This may not directly drive sales but can lead to a variety of indirect behaviours that may convert probable customers into direct customers. Regardless of whether is the focus for brand communication is on the investment in media or on the product itself, cautious consideration should be paid to the insight of quality associated with the product. Cultural expression and brand language can be an instrument for evolving competitive benefit in the market and maintaining a long-term association with the audience. To some amount, mixing all relevant shareholders into the sign-production environment of TCRs is an equal and non-interventional technique. It can alter the behaviour and view of actors

(pertinent stakeholders) such that they not only pay attention to emotional experience but also become engaged with each other through TCRs.

4. Conclusion

Through various case studies, we have illustrated how brand sustainability helps to revive the brand. Brands across sectors – textiles, automobiles, smartphones, and others have been revived through brand sustainability strategies. There is no “fit-for-all” strategy in this case. It has to be duly customized, taking into account the specifics of the market, product, and other factors. However, it is possible to give the brand a new lease of life. The key is to identify the decline stage. An early diagnosis of this stage can help the marketers to develop and implement a brand sustainability strategy. The strategy might face problems in implementation and may require some trials. However, with some perseverance, it can succeed. An important point is the marketing intelligence that sends the signals of the decline stage. If the company has strong market sensors, then it will be able to feel these signals. This can trigger the need for the formulation of the brand sustainability strategy.

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