

Chapter 19

Semiotics of Brand Building: Case of the Muthoot Group

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ABSTRACT

Most theories in brand management, evolved from 20th century economics, rely on a convenient assumption of how consumers should make purchase decisions. In contradistinction, this chapter demonstrates a semiological tradition in the context of brand management using a 128-year-old brand, Muthoot Group, to expound upon the ways consumers prevalently perceive brands, which then drive their purchase decisions. Just as in marketing, where the focus changed from “economic exchange” to “social exchange,” in brand management the focus needs to change from “symbols” to the way people use semiotic resources to produce both communicative artifacts and events to interpret them, which is also a form of semiotic production. Since social semiotics is not a self-contained field, the chapter historically plots the brand-building voyage of Muthoot Group, applying semiotic concepts and methods to establish a model of brand and extend the scientific understanding of differentiation, loyalty, and advocacy.

ELEPHANT IN THE ROOM

While several scholars and theorists of marketing as well as a myriad of brand practitioners and consultants irrefutably acknowledge the momentous role brands play in generating a company’s value, the actual levers that ascertain how a successful brand is created have been unjustifiably advanced solely by neoclassical economics and social psychology.

Historians credit a Danish nobleman, Tycho Brahe as the first competent mind in modern astronomy who accurately cataloged the movements of celestial bodies in the sixteenth century. Brahe’s assistant, Johannes Kepler along with a long list of brilliant physicists that includes Sir Isaac Newton later further advanced Brahe’s empirical data to postulate laws of planetary motion. Charles Darwin, a pivotal thinker in establishing the fact of evolution, based his heretical theory upon empirical evidence and rational argumentation. Advancements in physical and biological sciences, like astronomy, obtain compelling evidence after assiduous observations that then lead to bases of theories or postulations.

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The theory of consumer behavior under the canopy of marketing advanced by neoclassical economics, however, is not founded on any such empirical observation of how and/or why consumers make purchase decisions, develop strong sense of brand loyalty, or become fierce advocates for brands. The brand-building process has been fabricated on the convenient assumption that human beings are rational animals who make rational economic decisions. The entire body of work in branding is then constructed by elementary extrapolations from these specious assumptions. As if humans were equipped with unlimited knowledge, time, and power of information-processing, these theories in marketing assumed that humans made decisions involving rational Bayesian maximization of expected utility in products they bought or in services they hired. However, the imprudent assumption of *homo economicus* does not take into consideration any of the mental mechanisms underlying purchase decisions, loyalty formation, and other consumer actions that include symbolic, hedonic, and aesthetic nature of consumption (Hirschman & Holbrook 1981). Run-of-the-mill theories borrowed from social psychology which adhere to the neopositivistic perspectives of the hypothetico-deductive approach have also failed to address these significant phenomena in brand building methods and approaches.

To comprehend brand building as we are competent to describe it today, one requires a fairly wide background of interests and the meticulously cultivated tendencies favoring complexities of processes over simple provisional truths and temporarily adequate generalizations. The somewhat lofty goal of this paper is to develop a semiotic approach to brand building which finally overhauls the current obsolete model of branding that was anointed in the seventies, which has been the standard ever since. The semiotic approach to branding draws from the vibrant discipline of Consumer Culture Theory, one which not only experientially elucidates how brands are built over time, but also offers a distinctive way to identify opportunity space for growth, as well as providing an invaluable construct to encourage more successful startups and/or reviving moribund brands. The paper uses the one-hundred-twenty-seven-year peregrinations of a representative corporate brand, the Muthoot Group, as a stanchion for understanding the web of meanings woven from signs and symbols ensconced in cultural space and time.

If nothing else, this paper illustrates that the semiotics of branding is pure semiotics; the neuroscience of branding is all neuroscience; the cultural anthropology of branding is all cultural anthropology; and so forth into the future expansion of brand as a science. Interspersed throughout are direct quotes from industry experts and consumers served by Muthoot.

DIFFERENT KETTLE OF FISH

On the continuum stretching from the cave paintings of *Homo Erectus* to present social media updates, via the postmodern man, the insatiable need to communicate identity has created an infinite sensory palette of both visual and verbal expression, together unfolding the mysterious and elusive power of symbols. As states of mind, the distinctive power of symbols lies in their ability to divulge myriad levels of reality, otherwise latent, as a means of stimulating the human mind to wider awareness; heightening a strong sense of belonging, in order to induce greater recall and memory.

The US-based trade group, American Marketing Association (AMA) recognizes the influence that symbols dispense that it defines a brand as a: “name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers.”

In 1887 during the days of British-colonized India, Muthoot Ninan Mathai, patron founder of the Muthoot Group, established a business involved in the wholesale of food grains and timber in Kozhencherry,

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