Semiotics of Brand Building:
Case of the Muthoot Group

Sudio Sudarśan
Hult International Management School, USA

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.

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

27 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/semiotics-of-brand-building/123425

Related Content

Feature Reduction for Support Vector Machines
Shouxian Chengand Frank Y. Shih (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 870-877).*
www.irma-international.org/chapter/feature-reduction-support-vector-machines/10922

Utilizing Fuzzy Decision Trees in Decision Making
Malcolm J. Beynonm (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 2024-2030).*
www.irma-international.org/chapter/utilizing-fuzzy-decision-trees-decision/11097

Scalable Non-Parametric Methods for Large Data Sets
V. Suresh Babu, P. Viswanathand Narasimha M. Murty (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 1708-1713).*
www.irma-international.org/chapter/scalable-non-parametric-methods-large/11048

Analytical Knowledge Warehousing for Business Intelligence
Chun-Che Huangand Tzu-Liang ("Bill") Tseng (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 31-38).*
www.irma-international.org/chapter/analytical-knowledge-warehousing-business-intelligence/10794

Bibliomining for Library Decision-Making
Scott Nicholson (2009). *Encyclopedia of Data Warehousing and Mining, Second Edition (pp. 153-159).*
www.irma-international.org/chapter/bibliomining-library-decision-making/10813