

VIKATAN GROUP: A CASE ON SUCCESSFUL BRAND EXTENSION JOURNEY

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VIKATAN GROUP: A CASE ON SUCCESSFUL BRAND EXTENSION JOURNEY

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Abstract

This case study explores the brand extension strategies employed by Vikatan Group, a prominent magazine publication company in India, to expand its business beyond the traditional magazine industry. Led by its visionary founder, S.S. Vasam, Vikatan Group has successfully diversified its offerings and ventured into new market segments. The case study examines the core competencies of the company, its brand management practices, and the challenges faced during the brand extension process. It also analyzes the key success factors that have contributed to Vikatan Group's brand extension initiatives and provides valuable insights for businesses looking to embark on similar expansion strategies. Through a comprehensive examination of Vikatan Group's journey, this case study offers valuable lessons on effective brand extension, market positioning, and sustaining brand relevance in a rapidly evolving media landscape.

Keywords: Vikatan Group, brand extension, magazine industry, core competencies, success factors

Introduction

The Vikatan Group is a renowned Tamil magazine publication company in India that has made a significant impact in the industry since its inception in 1926. Led by its visionary founder S.S. Vasam, the company has built a strong brand reputation and a loyal customer base through its flagship magazine, Ananda Vikatan. Over the years, Vikatan Group has recognized the need for diversification and growth to stay relevant in the evolving media landscape. This case study delves into the brand extension strategies employed by Vikatan Group to expand its business beyond the traditional magazine industry. It examines the core competencies of the company and the challenges faced during the brand extension process. Additionally, it highlights the key

success factors that have contributed to Vikatan Group's brand extension initiatives and provides valuable insights for businesses considering brand expansion.

The Vikatan Group is one of Tamil Nadu, India's most prominent media corporations. In 1928, S.

S. Vasan, a pioneer of the Indian cinema industry, founded the company. S. S. Vasan was born in a modest Tamil Nadu village in 1904. He developed an early interest in the arts and launched his career as a journalist and playwright. He migrated to Madras (now Chennai) and entered the film industry in the 1920s. He produced and directed a number of successful films, including *Chandralekha* (1948), which is regarded as an Indian film classic. In 1928, S. S. Vasan established *Ananda Vikatan*, the premier publication of the Vikatan Group. The publication's concentration was on literature, the arts, and culture, and it soon attracted a large audience. Throughout the years, the group has published a number of additional periodicals, including *Junior Vikatan*, *Chutti Vikatan*, *Aval Vikatan*, and *Motor Vikatan*. Under S. S. Vasan's leadership, the Vikatan Group expanded into other areas of media, including book publishing, film production, and television. The company also established a reputation for high-quality content and editorial independence. S.

S. Vasan passed away in 1969, but the Vikatan Group continued to grow and diversify under the leadership of his son, B. S. Balakrishnan. Today, the group is one of the largest and most influential media companies in Tamil Nadu, and its magazines have a dedicated readership both in India and abroad.

Top Tamil Magazines

There are many popular Tamil magazines in India, covering a wide range of topics and interests.

- *Ananda Vikatan* - A weekly magazine covering topics such as politics, cinema, and social issues. It is one of the oldest and most respected Tamil magazines, founded in 1926.
- *Kalki* - A weekly Tamil magazine covering politics, social issues, and literature. It was started in 1941 and has a reputation for high-quality journalism.
- *Kumudam* - A weekly Tamil magazine that covers news, politics, entertainment, and lifestyle. It has been in circulation since 1947.
- *Thuglak* - A weekly political magazine known for its satire and humor. It was founded in 1970 by Cho Ramaswamy and is known for its outspoken views on politics.
- *Nakkheeran* - A weekly magazine that covers investigative journalism and exposes corruption and scandals. It was founded in 1988 and has won several awards for its journalism.

Brand Portfolio of Vikatan

The Vikatan Group has a diverse brand portfolio that includes several popular media and entertainment brands. Here are some of the leading brands under the Vikatan Group:

- *Ananda Vikatan* - A leading Tamil language weekly magazine that covers a wide range of topics, including politics, entertainment, culture, and lifestyle.
- *Junior Vikatan* - A Tamil language magazine that focuses on current affairs, politics, and social issues.
- *Aval Vikatan* - A Tamil language women's magazine that covers topics such as health, beauty, and relationships.

- *Chutti Vikatan* - A Tamil language children's magazine that features stories, puzzles, and games.
- *Sakthi Vikatan* - A Tamil language magazine that covers topics related to spirituality, religion, and culture.
- *Naanayam Vikatan* - A Tamil language magazine that provides information on personal finance, investment, and wealth management.
- *Motor Vikatan* - A Tamil language magazine that covers the automobile industry and features reviews and news on the latest cars and bikes.

In addition to these print magazines, the Vikatan Group also has a strong online presence with several popular digital brands, including Vikatan.com, an online news portal that provides news, entertainment, and other content in the Tamil language. Vikatan Group's brand portfolio also includes Vikatan Publishing Solutions, which provides publishing services such as book design, printing, and distribution, and Vikatan Events, which organizes events and exhibitions. Overall, the Vikatan Group's brand portfolio covers a wide range of media and entertainment verticals and has a strong presence in the Tamil language market in South India.

Brand Extension Strategies

Vikatan Group has implemented a variety of brand extension strategies in an effort to expand its business and appeal to various market segments. The company's introduction of new magazine titles is one of its primary business strategies. By recognising the varied interests and preferences of readers, the Vikatan Group has effectively launched magazines aimed at specific demographics. Junior Vikatan, one of the Vikatan Group's renowned magazine titles, targets the adolescent market. It covers a variety of topics that appeal to youthful readers, such as current events, politics, film, and lifestyle. Junior Vikatan has created a niche for itself in the magazine industry with its engaging content and juvenile appeal. Another magazine published by Vikatan Group, Aval Vikatan focuses on women's interests. It addresses topics such as fashion, attractiveness, health, relationships, and the achievements of women. Aval Vikatan has become a reliable source of information and motivation for women, providing them with insightful and unique perspectives. Vikatan Group has also ventured into online magazine platforms in addition to these targeted magazine titles. The company introduced online versions of its magazines in response to the changing reading patterns of its audience and the increasing prominence of digital media. This strategic decision enabled Vikatan Group to reach a global audience of consumers and capitalise on the expanding digital market. The convenience, accessibility, and interactivity of the online magazines enhance the audience's overall reading experience. Through Vikatan Talkies, Vikatan Group expanded its brand into film production. The company entered the entertainment sector and produced films that resonated with its target audience by utilising its storytelling expertise and industry connections. This brand extension not only diversified the revenue streams of Vikatan Group, but also increased its brand visibility and recognition in the film industry. The company's expansion into online publication platforms and film production stems from its desire to remain pertinent and adapt to the changing media landscape. Vikatan Group recognised, with the rise of digital media consumption, the need to adopt digital platforms in order to reach a larger audience and provide a seamless reading experience. By offering online periodicals, the company broadened its market reach beyond traditional print publications and catered to digitally sophisticated readers' preferences.

Similarly, Vikatan Group was able to leverage its storytelling expertise and expand its brand presence beyond the magazine industry by entering the film production indus-

try. By generating films aligned with the interests and preferences of its target audience, the company created synergies between its magazine brands and film initiatives. This brand extension not only diversified its business portfolio, but also bolstered the Vikatan brand's reputation as a dependable source of high-quality content across multiple media platforms. Vikatan Group's brand extension strategies have proven effective in acquiring new market segments and expanding its brand presence. The company has been able to create magazines and other media offerings that resonate

with their target consumers by understanding the unique requirements and interests of various audience groups. In addition, the expansion into online magazine platforms and film production has enabled Vikatan Group to remain ahead of industry trends, reach a larger audience, and improve its brand image.

Overall, Vikatan Group's brand extension strategies have been aligned with the company's core competencies, target audience preferences, and market opportunities. These initiatives have not only contributed to Vikatan's development, but also strengthened the brand's position in the media industry.

Success Factors

Several key factors contributed to the success of Vikatan Group's brand extension initiatives. First and foremost, the brand's strong foundation and credibility in the magazine industry played a crucial role. Vikatan Group had built a loyal customer base over the years, which provided a solid platform for brand extension efforts. Secondly, Vikatan Group's deep understanding of its target audience and their preferences enabled the company to tailor its brand extension offerings effectively. By identifying niche segments and addressing their specific needs, Vikatan Group was able to create a strong brand resonance with its extended product portfolio. Additionally, Vikatan Group's commitment to maintaining the same quality standards across its brand extensions played a vital role in its success. The company ensured that the new magazines and digital platforms maintained the same level of content excellence, editorial integrity, and reader engagement as its flagship magazine, Ananda Vikatan. This consistency helped in preserving the trust and loyalty of the existing customer base while attracting new readers.

Analysis of brand Extension Success Strategies

Brand extension strategies are crucial to the success of any business that seeks to diversify its offerings and penetrate new market segments. In the case of Vikatan Group, the conversation emphasises a number of crucial factors that contribute to the success of its brand extension initiatives. Let's analyse the impact of these strategies:

Specific Magazine Titles: By introducing new magazine titles, Vikatan Group has effectively identified and catered to the diverse interests of its audience. This strategy enables the company to target specific market segments, such as young people and women, and deliver content that appeals to their preferences. By comprehending the specific requirements of these target audiences, Vikatan Group can position itself as a dependable source of information and entertainment, thereby establishing strong connections with its readers.

Online Publication Platforms: Vikatan Group forayed into online publication platforms in response to the shift in reading preferences towards digital media. This brand extension strategy enables the company to capitalise on the advantages of digitalization, such as increased reach, accessibility, and interactivity. By adopting online plat-

forms, Vikatan Group ensures that its magazines are accessible to a global readership, surpassing geographical restrictions and traditional distribution channels.

Film Production (Vikatan Talkies): Vikatan Group's brand extension capabilities are demonstrated by its foray into film production via Vikatan Talkies. The company effectively

expands its brand presence beyond the magazine industry by utilising its storytelling expertise and industry connections. This strategy permits Vikatan Group to diversify its revenue streams while leveraging its existing brand equity. Films produced by Vikatan Talkies serve as an extension of the company's content offerings, reinforcing the company's connection with its target audience and boosting its reputation in the entertainment industry.

Several factors contribute to Vikatan Group's brand extension strategies' success. The company's in-depth knowledge of its target audience ensures that its magazine titles and content reflect the interests and preferences of its audience. This targeted approach helps develop a loyal readership and establishes a strong relationship between the brand and the consumer. The Vikatan Group's turn towards online magazine platforms demonstrates its adaptability to shifting market dynamics. By embracing digital transformation, the company ensures the continued relevance of its magazines in the digital age. This strategy not only broadens the company's market presence, but also improves the overall user experience by providing convenience and interactivity. Expansion of the Vikatan Group brand into film production demonstrates its adaptability and willingness to explore new avenues. The company effectively expands its brand presence in the entertainment industry by leveraging its core competency in storytelling. This extension generates cross-media synergies, enabling Vikatan Group to capitalise on its existing brand equity while attracting a larger audience.

Overall, the success of Vikatan Group's brand extension can be attributed to its customer-centric approach, flexibility, and exploitation of its core competencies. In a competitive media landscape, the company maintains its relevance and enhances its brand image by understanding its audience, incorporating digital platforms, and investigating new avenues.

Vikatan Promotional Strategies

Vikatan Group employs a variety of promotional methods to attract and retain magazine readers, including:

Vikatan Group advertises its publications frequently through print advertisements, television commercials, and online ads. The group employs eye-catching designs and messaging that emphasise the distinctive features and advantages of each publication. Additionally, Vikatan Group uses events and promotions to generate interest in its magazines. For instance, the group may hold contests or giveaways, conduct meet-and-greets with renowned authors, or sponsor events related to the magazine's subject matter. Social media: Vikatan Group maintains a significant presence on Facebook, Twitter, and Instagram. The group uses social media to interact with its readers and promote its magazines by sharing behind-the-scenes photos, exclusive interviews, and advance glimpses of forthcoming issues. Vikatan Group offers subscription packages for its magazines that include discounts and other benefits for consumers who sign up for multiple issues. This encourages readers to make a long-term commitment to the magazine and helps to build a loyal fan base for each publication. Partnerships: To advertise its magazines, Vikatan Group also partners with other brands and organisations. For instance, the group may partner with a well-known film or music studio

to offer exclusive content or promotional discounts. Overall, Vikatan Group's promotional strategies are intended to increase brand recognition, engage readers, and create devoted magazine fans. Through a combination of advertising, events, social media, subscriptions, and partnerships, Vikatan Group has been able to attract and retain magazine readers.

Difficulties Vikatan Group Encountered in Extending its Brand

Throughout its voyage of brand extension, Vikatan Group encountered a number of challenges and obstacles that required strategic planning and adjustments to surmount. In the context of brand extension, these obstacles are common and include hazards such as brand dilution and increased competition. However, Vikatan Group was able to successfully navigate these obstacles, ensuring the continued growth and integrity of its brand. Let's examine the obstacles Vikatan Group faced and how the company overcame them.

Brand Dilution: One of the primary concerns associated with brand extension is the potential for brand dilution. There is a risk of losing the brand's unique identity and consumer perception when expanding into new markets or product categories. Vikatan Group was aware of this difficulty and made steps to preserve the brand's essence while expanding into new ventures. The company insured that its brand extensions were consistent with its core competencies and values, thereby reducing the risk of brand dilution.

Increased Competition: Brand extension frequently places a business in direct competition with well-established competitors in a new market segment. When entering the film production industry with Vikatan Talkies, Vikatan Group encountered increased competition. The film industry is extremely competitive, with production houses and studios that are well-established. To surmount this obstacle, Vikatan Group utilised its storytelling expertise, industry connections, and in-depth knowledge of its target audience to differentiate its films and develop a distinctive brand proposition.

With the advent of digital media, Vikatan Group had to adjust to the shifting landscape and consumer preferences. Transitioning from traditional print magazines to online platforms posed technical and operational difficulties. The company had to invest in technology infrastructure, create user-friendly interfaces, and ensure that its online magazine subscribers had a seamless reading experience. Vikatan Group was able to overcome this obstacle by embracing digital transformation, implementing interactive features, and delivering engaging content optimised for online consumption. Expanding into new markets, whether through the publication of new magazine titles or the production of films, requires a comprehensive comprehension of local preferences and consumer behaviour. Vikatan Group was presented with the difficulty of accessing uncharted markets while preserving the allure of its brand. The company conducted market research, analysed consumer insights, and tailored its content and marketing strategies to each market segment's target audience's preferences.

To surmount these obstacles, Vikatan Group adopted the following strategies and adjustments:

- Vikatan Group aimed to maintain a solid brand positioning by aligning its brand extensions with its core competencies and core values. Vikatan Group maintained brand integrity and customer loyalty by ensuring that its magazine titles and film productions adhered to the company's dedication to quality content and narrative.

- Vikatan Group differentiated itself in response to the increased competition in the film production industry by leveraging its storytelling expertise. The company meticulously selected film projects that resonated with its target audience and provided original narratives. This enabled Vikatan Talkies to distinguish itself from competitors and establish a unique brand identity.
- The Vikatan Group adopted digital transformation by investing in technological infrastructure and developing user-friendly online platforms. By adapting to the shifting media environment, the company broadened its reach and engaged a larger audience, ensuring that its brand remained pertinent in the digital age.
- Market Research and Consumer Insights: Vikatan Group conducted comprehensive, continuous market research and accumulated consumer insights in order to comprehend the preferences and expectations of its target audience. This allowed the company to tailor its brand messaging, marketing strategies, and content to the local markets it entered.
- Vikatan Group learned several valuable lessons as a result of the obstacles it encountered on its voyage to extend its brand.
- Stay true to primary competencies: Utilising core competencies and expertise to create a seamless transition into new markets is necessary for successful brand extension. Vikatan Group was able to maintain its brand integrity and establish a strong presence across multiple media platforms by focusing on storytelling, quality content, and understanding its audience's preferences.
- Adapt to shifting market conditions: Companies must adapt to the ever-changing media landscape to remain relevant. Vikatan Group's adaptation to digital transformation and expansion into online magazine platforms exemplifies the significance of adopting new technologies and platforms to meet consumers' evolving requirements.
- Important are research and insights: For successful brand extension, thorough market research and consumer insights provide invaluable information. The investment made by Vikatan Group in understanding its target audience's preferences and altering its strategies accordingly allowed the company to customise its offerings and establish a rapport with its consumers.

In highly competitive markets, differentiation is essential for standing out. Vikatan Group was able to establish a distinct brand identity and surmount competition due to its ability to distinguish itself through distinctive narrative and the delivery of content that resonated with its audience.

During its brand extension voyage, Vikatan Group encountered obstacles such as brand dilution, increased competition, adaptation to digital transformation, and market expansion. However, by employing effective strategies and adjustments, the company was able to overcome these obstacles, preserve its brand integrity, and achieve growth. The lessons learned from these obstacles emphasise the significance of adhering to core competencies, adapting to market dynamics, leveraging research and insights, and standing out in competitive industries.

Conclusion

The case study of Vikatan Group's brand extension voyage illustrates the successful expansion of a traditional magazine publication brand into a variety of areas. Vikatan Group effectively

leveraged its core competencies, customer trust, and market insights through strategic initiatives to diversify its product portfolio and expand its brand presence. The key conclusions from this case study are the significance of understanding the target audience, maintaining brand consistency, and capitalising on core competencies when

launching brand extension efforts. The success tale of Vikatan Group is instructive for businesses seeking to expand their brand footprint and explore new growth opportunities.

Discussion Questions

- What were the key factors that contributed to the success of Vikatan Group's brand extension initiatives?
- What challenges did Vikatan Group face during its brand extension journey, and how did it overcome them?
- How did Vikatan Group maintain brand consistency across its various brand extensions?
- What can other companies learn from Vikatan Group's brand extension strategies and success?
- How did Vikatan Group's understanding of its target audience play a role in its brand extension success?
- What risks and benefits are associated with brand extension, and how can companies mitigate those risks?
- How did Vikatan Group's expansion into digital platforms and film production contribute to its overall brand image and growth?
- What role did innovation and adaptation play in Vikatan Group's brand extension success?
- What opportunities exist for Vikatan Group to further expand its brand and product offerings in the future?
- How does Vikatan Group's brand management and brand extension strategies compare to its competitors in the magazine industry?

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