

CASE D-5

OSIM: Building a Global Brand

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Case Objectives

- To understand the concepts of brand identity and meaning.
- To understand the concepts of different branding strategies.
- To explore the communication and implementation process of branding identity and meaning.

Case Synopsis

- OSIM was originated from a retailing business set up by Dr. Roy Sim Chye Hock in 1980. This was later developed into having a specialty branding called “Health Check & Care” in 1989 and marketed an array of home health care, health check and healthy lifestyle products. In 1996, the specialty branding was replaced by OSIM, a new brand name that was registered as trademark in several countries worldwide.
- The OSIM brand is used as the company’s umbrella brand identity. The equity in this brand name allowed the company to extend its product lines. For instance by introducing OSIM Millennium and OSIM Mermaid, which are two products with different functions but share equal brand equity. OSIM’s four main product lines are Health Focus, Hygiene Focus, Nutrition Focus, and Fitness Focus.
- Today, OSIM is a multi-national company that marketed, distributed and franchised healthy lifestyle products. Its distribution has reached a global network of 1,095 outlets in more than 31 countries. Recognized as Asia No. 1 Brand for Massage Chairs and Healthy Lifestyle products, the company objective is to extend its market coverage and open its 3000th outlet by 2013.

Case Questions and Answers

Question 1

What is the meaning of the brand identity of OSIM? What are the different aspects of this identity?

- Brand identity is the association of a brand in consumers' minds with regard to a product class. It helps to set a brand apart from its competitors. A company building a brand identity and meaning should focus on two areas – thinking and feeling about the brand.
- Thinking focuses on a brand's perceived quality, credibility, and superiority relative to other brands. This can be represented by function of a product, its value-added or personality. Feeling relates to the consumer's emotional reaction to a brand such as feeling secure, safe, comfort or self-assurance.
- The meaning of brand identity of OSIM is a promise to deliver superior quality of products and services (thinking focus) in promoting healthy lifestyle to consumers (feeling focus).
- Brand identity can be characterized by a combination of color scheme, designs or words that a company uses to represent a visual statement and its business philosophy. It is how the company views itself and how it wishes to be viewed by its consumers.
- The different aspects or combination of OSIM brand identity are its corporate logo, advertising appeals, taglines and concept stores.
- OSIM new logo introduced in 2000 was featured with three colors of the arch – blue for the sky, green for land and orange for light and spirit. The shape of the logo and colors used signified the company's bold entrance into the new millennium and embodied its aspiration to become global brand. This logo also symbolized an intangible value of consumers' trusts in the company and promised quality of OSIM products and services.
- The company used advertising taglines such as "Health is an attitude to life" and "Good health begins with care" in order to convey to consumers that an improved quality of life begins with a healthy lifestyle and positive mindset.
- To avoid hard-selling in commercials yet still able to persuade consumers to adopt healthy lifestyles, OSIM tapped on the emotional, dramatic and humorous appeals to advertise its products to consumers.
- Understanding that consumers generally need more information before purchasing health products, OSIM ensured that staff have good product knowledge to assist consumers' enquires. Also, concept stores are decorated

nicely to ensure that consumers are be able to experience a secure and comfortable shopping atmosphere.

Question 2

What are OSIM's branding strategies? What is your evaluation of these strategies?

- The two branding strategies OSIM used are multiproduct branding and mixed branding. By using multiproduct branding, a company uses the same brand for all its products in a product class. In the case of OSIM, its power drum massager and designer massage chair are named by the same brand - OSIM uPapa and OSIM uPilot respectively.
- Another branding strategy is mixed branding where a company markets its products under its own name and that of a reseller because the segment attracted to the reseller is different from its own market. OSIM does not only distribute its products through its own concept stores but also department stores and overseas retailers such as Brookstone in the US market.
- The advantage of using multiproduct branding is OSIM's ability to tap on its already established brand or brand equity to introduce its new range of products in the same product class. Consumers who have good experiences with OSIM in the past will transfer its favorable attitude to other products thus creating higher level of confidence in their minds about the products.
- By using multiproduct branding, the company can enjoy lower advertising cost because the same name, in this case OSIM, is being used for all its product lines. In some cases, it is also easier for the company to introduce new brand names in different product class. For instance, OSIM first launched its Hygiene Focus product line in 2001, and then it launched its other three product lines in 2002. This means that OSIM is tapping on its brand equity to extend its product offerings.
- However, multiproduct branding may backfire. This happens when one product of OSIM brand is facing some crisis in the market for instance due to product failure, the sales of other brands or products under OSIM may be affected. Consumers' trusts in the brands may be in question mark.
- By adopting mixed brand strategies, OSIM products are not very dependent on its brand name like in multiproduct branding. Hence if one product brand is in crisis, the rest of its brands may not be affected as much.
- Also, OSIM can tap on the resellers' brand names to serve a different consumer markets. For instance, by acquiring Global Active Limited, OSIM will be able to enter the nutritional products market through one of its outlets

- General Nutrition Centre (GNC), or sell other OSIM products through Brookstone retailers in US market.
- The disadvantage of having mixed-branding is the additional advertising cost that OSIM has to pump in as different products carry different brand names.

Question 3

How are the brand identity and meaning of OSIM communicated to consumers? What is your evaluation of the communication and implementation process? How can the process be improved?

- The brand identity and meaning of OSIM is communicated through various contact points between the company and consumers, such as its corporate logo and culture, the decoration of concept stores, its taglines used in advertising campaign, and the use of various advertising appeals and celebrities to endorse its products.
- Its corporate logo's shape and three main color schemes signified its promise in providing quality healthy products and services also to strengthen its position in the global market. In addition, OSIM instilled a strong company culture where employees are driven by a clear goal and theme of "Inspiring Life". Its people have positive attitude to provide a unique OSIM shopping experience to consumers.
- Concept stores are designed to carry a specific range of product lines. They are also decorated in a way to promote a comfort and secure shopping experience for consumers. Staff are trained to ensure that they can assist consumers' enquires well and eventually cultivating in consumers a positive outlook towards life and healthy living.
- Its taglines, advertising appeals and product endorsements further communicated that consumers can enjoy improved quality of life by purchasing its health products and having positive mindsets. Its advertising appeal uses emotional and dramatic touch to develop a stronger impact in consumers' minds and its humorous appeal is used to portray less hard-selling commercials.
- To ensure consistency in its brand implementation process, the company engaged a global brand consultant, Interbrand Private Limited. This consultant advised OSIM on how brand should be distributed in stationary items, shop designs and layout, packaging and the types of communication channels used. Last but not least, color, size of logos and wordings are kept uniform across different markets.
- In overall, both its communication and implementation process are pretty comprehensive. As OSIM brand is handled by a global brand consultant, it can be

assured that the development and maintenance of its brand are done professionally and consistently across its global network. Its communication process on the other hand, has successfully delivered the company's message clearly and also bonded itself with consumers emotionally thus motivating consumers to purchase OSIM products or support brand loyalty.

- Finally, OSIM may wish to confirm its credibility in consumers' minds. The brand has been recognized as No.1 Brand for Massage Chairs and Healthy Lifestyle products by International Research Consultant Synovate, hence its marketers can tap on this recognition to assure consumers that OSIM provides superior quality of health products. Alternatively, marketers can use other alternatives to assure current users that they have bought the right products for the right reasons and prices. This way, marketers may reduce any cognitive dissonance in consumers' minds left unheard and may even encourage consumer's brand loyalty.