

# CREATING A coheSIVE & inclusive GLOBAL BRAND

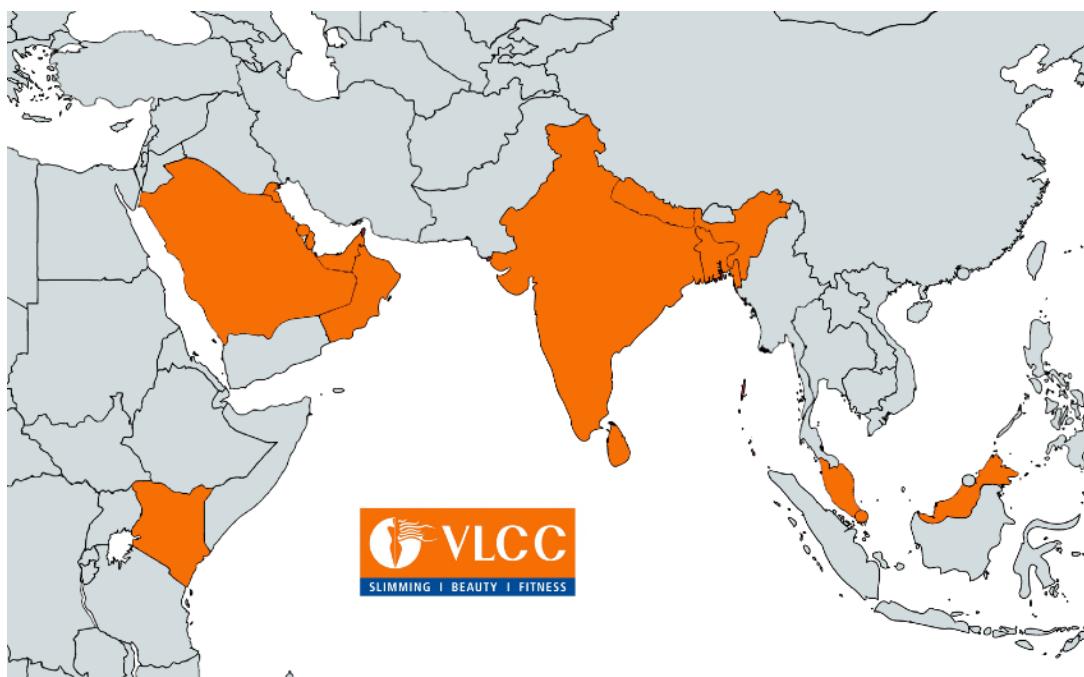
suggested rebranding strategy  
for VLCC Health Care Limited

## // WHY REBRAND?

Since Vandana Luthra Curls and Curves (VLCC) Health Care Limited was founded by Vandana Luthra in 1966, VLCC has extended into multiple brands across industries, segments, and geographies. The brands can be summed up into:

- VLCC Wellness & Day Spa
- VLCC Personal Care
- VLCC Institute of Beauty and Nutrition

As the original offering of VLCC Group, VLCC Wellness & Day Spa has expanded operations to 323 beauty and wellness salons across 150 cities in 11 countries.



Map of VLCC's operating international geographies: India, Sri Lanka, Bangladesh, Nepal, Malaysia, Singapore, Yemen, Oman, Bahrain, UAE, Qatar, Kuwait, Saudi Arabia, and Kenya.

The VLCC brands grew at such a rapid and uncontrolled pace that resulted in visual inconsistencies across verticals and geographies.

In September 2017, VLCC had scheduled to issue an initial public offering (IPO) and filed the share sales prospectus with the Securities and Exchange Board of India. However, VLCC reported in early 2018 that the company's merchant bankers advised the company to postpone their IPO due to demonetization.

VLCC's previous valuation would issue fresh shares worth ₹400 million with an offer for sale of up to 3.767 million equity shares from existing shareholders (The Economic Times, 2017). In 2015, VLCC aimed to raise ₹400 million through this IPO (Karan, 2015). In 2017, VLCC could expect to raise more due to their impressive growth in the past two years.

Before issuing an IPO, VLCC should consider a rebranding strategy with the aim of raising the valuation of their shares. VLCC should rebrand for two main purposes:

### Cohesiveness

The multiple brands carrying the VLCC name and logo should adhere to a consistent design. A consistent design would standardize the brand's color palette, standard font, and logo.

Currently, the brands across divisions and geographies do not abide by consistent brand identity. As the company pursues growth and expansion, it is imperative that the subsidiaries maintain brand consistency to attribute positive brand recognition to the summative brand equity of the VLCC group.

### Inclusiveness

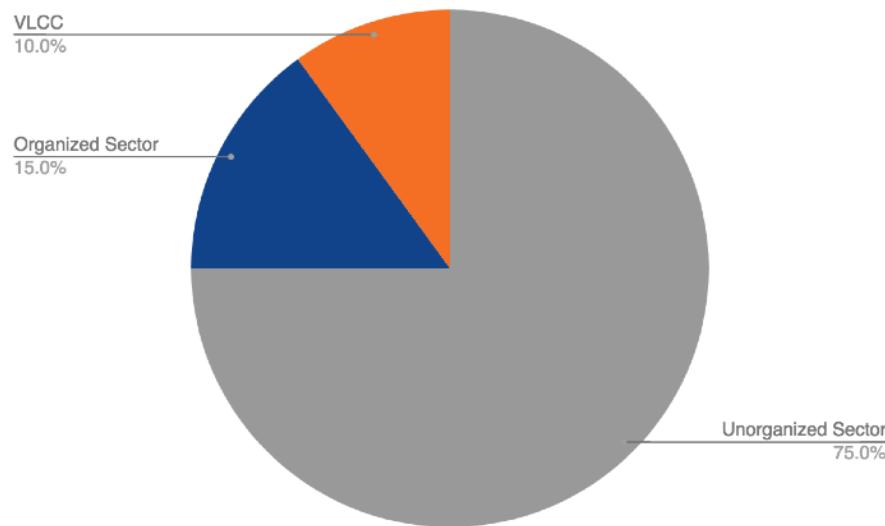
Since its inception, VLCC has been guided by their motto "Transforming Lives" aimed at sparking self-transformation, spreading happiness, and imbibe every individual with wellness for life.

Founded by a woman, VLCC was traditionally focused on their female customer segment. However, the men's beauty and grooming Indian market is growing at a rapid pace. In thinking about their future growth, VLCC should create a male wellness and day spa brand to cater to the growing market.

## // PURSUING GROWTH

### Indian Beauty & Wellness market

Estimated worth: ₹1.3 trillion (Kanungo, 2017)



VLCC is the dominant player in the Indian Beauty and Wellness industry based on market share. In pursuit of growth, the group focuses on expansions, both domestic and international, and acquisitions.

#### Expansions

Domestically, VLCC planned to add some 70 wellness centers and a few institutes by mid-2019.

Internationally, VLCC had plans to expand to Pakistan with the opening of four centers. However, due to the political situation between India and Pakistan, VLCC was unable to pursue the expansion.

VLCC directed their international expansion efforts to Africa after their first Wellness Service Center in Nairobi, Kenya was a huge success with the help of the Kenyan-based Sameer Group.

VLCC will franchise its Slimming & Beauty Centers to other parts of Africa such as Tanzania, Uganda, Ghana, Mauritius, Seychelles, Ethiopia, Nigeria, and South Africa (Ashraf, 2017).

*"After the grand success of VLCC wellness service concepts in the Middle East region and Kenya, we decided to strategically expand into Africa which is the next big frontier market."*

- Mr. Sanjeev Setia, Chief Business Officer of VLCC-MEA

#### Acquisitions

VLCC is planning on continuing their acquisition strategy, targeting four to five European-based companies in the wellness industry. The company's acquisition strategy aims to contribute to the overall goal of increasing revenue five-fold within three years, from ₹10 billion to ₹50 billion.

Since 2013, VLCC has been pursuing acquisitions across segments and geographies. Starting with obtaining a majority stake in Global Vantage Innovation Group, a Singapore-based distributor of wellness products and solutions, VLCC then made advances for Malaysian slimming and beauty chain, Waynn International. Most recently, VLCC acquired Vanity Cube, doorstep beauty treatment service provider, and WellScience Health, direct selling dietary supplements producer (Kanungo, 2017).

*Before*

## VLCC Wellness & Day Spa Logos



## // CURRENT BRANDING

As the company potentially pursues an IPO and invigorates growth through expansion and acquisition strategies, VLCC should pursue a rebranding strategy to reinforce positive brand associations across divisions and geographies. Standardizing the aesthetics of the brand is vital in building a cohesive representation of the conglomerate to consumers and potential shareholders.

## Exploring Inconsistencies

Visualized are the various logos of the VLCC verticals. There is significant variability in the color palettes, icons, and fonts in the logos. Allowing such inconsistencies would waste the opportunity to strengthen the VLCC brand.

## VLCC Institute Logos



## VLCC Personal Care Logos



## Building a Global Brand

With the ubiquity of VLCC in the Wellness space and VLCC's position as a market leader, VLCC needs to build brand salience in consumers' eyes to foster customer relationships that transcend organizational verticals. Sharing the positive brand perceptions across brands serves to consolidate the positive brand associations. Ultimately, establishing a cohesive brand identity to consumers is in VLCC's favor in pursuit of rapid growth and an upcoming IPO.

## // IMPLICATIONS OF INCONSISTENCY

The lack of brand design coherence manifests itself most prominently in the brand representation to end customers, for example on storefronts and advertising.

The lack of cohesive brand identity has implications on the visibility of the VLCC brand on physical store shelves and e-commerce website listings. Without a set color palette, font, or logo, it is more difficult for customers to distinguish and recognize the VLCC brand – these instances represent lost opportunities in building brand equity.

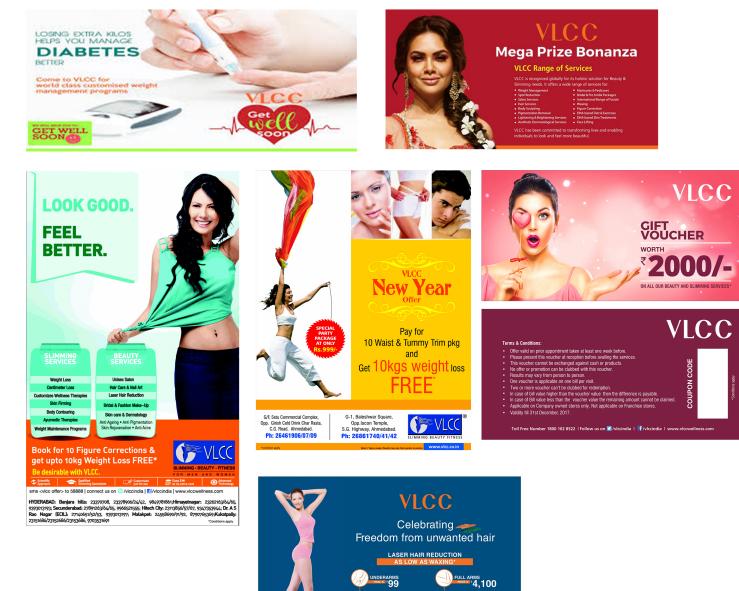


The VLCC brand could capitalize on the striking orange color of the brand to easily distinguish themselves from other brands. In the two pictures above, captured at retail channels in Hyderabad, the VLCC could be easily identified as the right side of the product displays if the salient orange logo was used consistently.

## VLCC Stores



## VLCC Advertising



## // INCLUSIVENESS

VLCC should broaden their customer segments to be a more inclusive brand. VLCC's primary customer segment has been middle-class women of India. At the time of the inception of VLCC, there was a gap in the beauty market with five-star beauty salons and neighborhood parlors that only offer basic beauty services. VLCC disrupted the high-end salon market from below by increasing the accessibility to beauty services to the masses, at the time, middle-class women.

VLCC needs to widen another middle-class customer segment: men. Worldwide, men's grooming services have been limited to high-end exclusive beauty parlors. In recent years, the Indian men's beauty and grooming market is growing at an average of 20.83% annually (see Exhibit 3), compared to that of the overall Indian beauty and personal care market with 15.14% (see Exhibit 2).

VLCC currently provides services for both genders at their chain of Wellness & Day Spas. However, given the high growth and existing stigma associated with males receiving beauty services, VLCC should create another salon brand under the VLCC Wellness & Day Spa vertical catered exclusively to men (Rao, 2015). This strategy would disrupt the male grooming services industry from below by making beauty services accessible – affordable and free of stigma.

Sex segregation in India is not only normalized; it is the norm. Hostels, gyms, salons, are gender-specific. Unlike public transport or hostels, beauty salons are not gender segregated for safety purposes. Rather, beauty salons are segregated due to the stigma of men receiving treatment in a traditionally female industry.

The new male-specific salon would reduce the barrier to entry for potential male customers to receive their first spa treatment. Only then, will males receiving beauty services slowly start becoming normalized.

Men salons are a market opportunity for the VLCC. Major brands such as Unilever, L'Oreal, and Nivea have already announced strategies to venture into the men's grooming product market due to the appeal of potential and early mover advantage of market share in a high-growth segment (Merchant, 2018).



## // FORWARD THINKING

VLCC invests in keeping up with the latest technology and research in the health and beauty space. VLCC has their own research and development centers, and Vandana Luthra (pictured) travels around the world to explore new developments in her industry (Dubey, 2016).

VLCC has expanded into the educational sphere previously, given their VLCC Institute brand. VLCC should partner with the University of Hyderabad to collaborate on a project focused on the future of beauty and wellness in India. VLCC could explore sponsoring the university's Beauty department to facilitate innovation in the industry. VLCC could also hire the graduates from these departments to work at their R&D labs to develop innovations. The innovations could range from a new face cream using new technology and ingredients, to a new line of nail services that utilize 3D printing for designs.

Vandana Luthra should consider introducing an organizational policy that grants employees, at all levels from C-suite executives to manicurists, 20% flexibility of their working hours to be dedicated to working on an independent project that the employees believe will benefit the organization in any shape or form. Such policies have proven successful in other innovative companies such as Google. Policies that encourage autonomy and innovation are creating openness in the system, creating an optimal environment for successful and potentially disruptive innovations to emerge.



## After VLCC Logos



(#brandEquity)

The redesigned logo for the VLCC group retained some key elements of the original VLCC logo including the circular silhouette of the logo and retaining a human figure as the primary element.

The logo was conceptualized from the name of the group – VLCC. The circular frame of the logo is the careful placement and rotation of the letter 'C'. The circular frame aims to convey cohesiveness and inclusiveness – central to the overall rebranding strategy.

The human figure was reworked to portray a neutral gender figure. The original logo emphasized feminine features such as curls and curves to represent those concepts as part of the brand. However, rebranding VLCC with the strategy of catering towards a growing male segment requires a gender-neutral logo to represent all the organizational verticals.

The original logos highlighted orange as the primary brand color, with blue as the secondary color. Black and white are used as accent colors to contrast against orange and blue respectively. Hex codes are included in the color palette.

As the primary color, orange perfectly conveys the main message of VLCC group of confidence.

As a wellness company, the associations of trustworthiness and maturity of the color blue should be leveraged to represent VLCC's reputation of having the trust of customers (see Exhibit 1).

## Color Palette

**white**

#ffffff

**orange**

#f46f23

**blue**

#11438a

**black**

#000000

Helvetica Neue 35 Thin

A B C D E F G H  
a b c d e f g h i j k

Helvetica Neue 45 Light

A B C D E F G H  
a b c d e f g h i j k

Helvetica Neue 55 Roman

A B C D E F G H  
a b c d e f g h i j

Helvetica Neue 56 Italic

A B C D E F G H  
a b c d e f g h i j

Helvetica Neue 75 Bold

A B C D E F G H  
a b c d e f g h i j

## Font

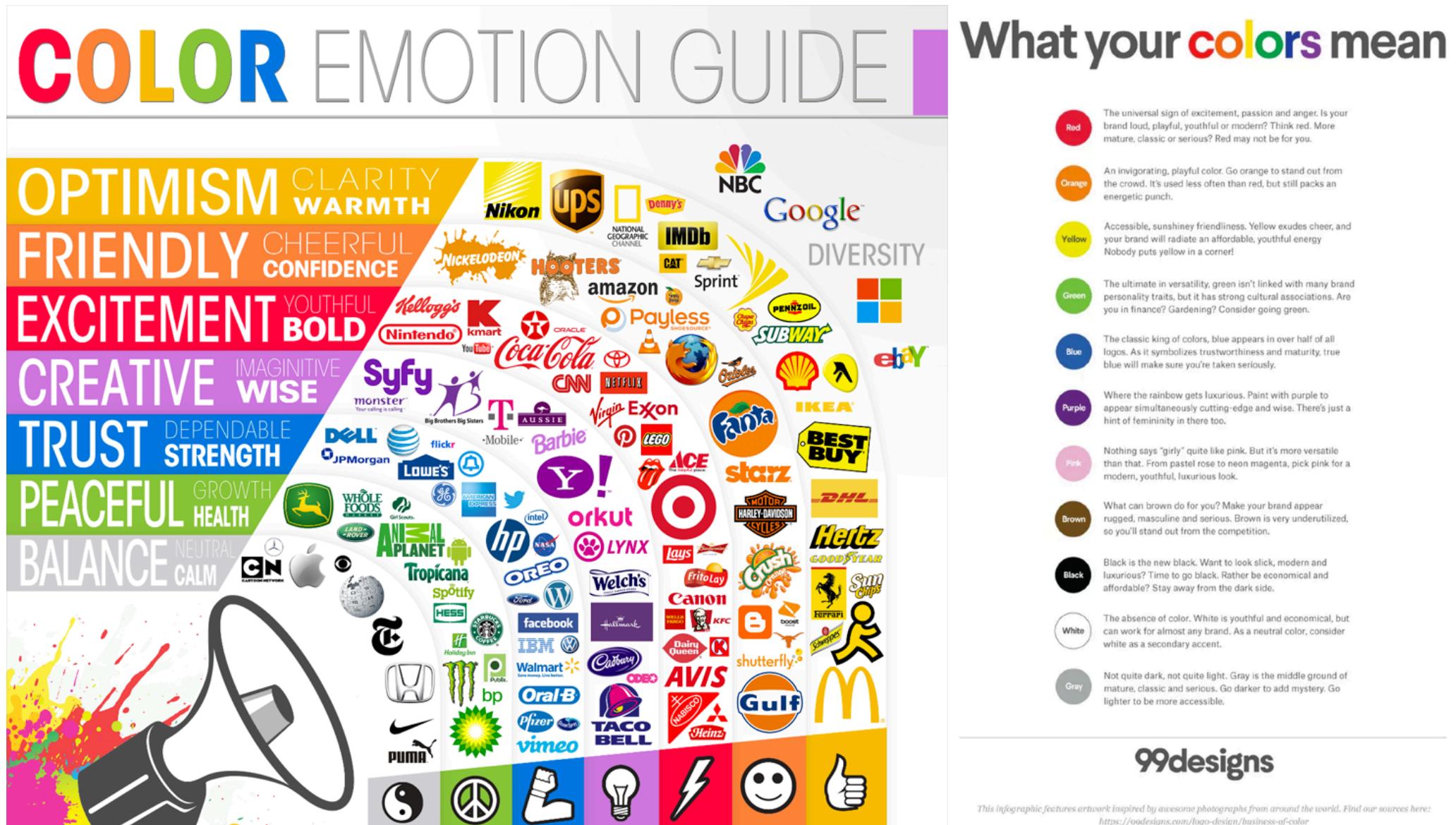
Helvetica Neue is simple San Serif with variations of thickness and provides opportunities for typographic hierarchy in designing promotional materials.

## // References

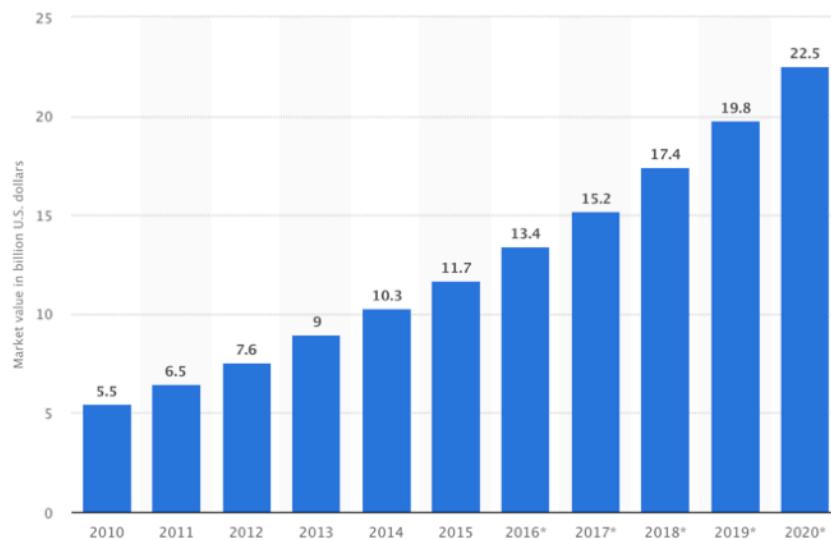
- Ashraf, S. (2017, June 12). VLCC – the leading name in slimming and beauty brand is expanding into Africa through Franchise route. *LinkedIn*. Retrieved 9 April 2018 from <https://www.linkedin.com/pulse/vlcc-leading-name-slimming-beauty-brand-from-middle-east-ashraf/>
- Dominiq. (2018, April 4). Personal Interview.
- Dubey, T. (2016, March 17). How the queen of wellness, VLCC Founder Vandana Luthra, built an empire. *Your Story*. Retrieved 9 April 2018 from <https://yourstory.com/2016/03/vlcc-vandana-luthra/>
- Kanungo, S. (2017, June 15). VLCC plans IPO in 2017-18, eyes 4-5 acquisitions overseas. *LiveMint*. Retrieved 8 April 2018 from <https://www.livemint.com/Money/1mJ21zxAm2m8dlb0xczbcL/VLCC-plans-IPO-in-201718-eyes-45-acquisitions-overseas.html>
- Karan. (2015, December 18). VLCC – The Unique Beauty And Wellness Multinational Corporation. *Yo! Success*. Retrieved 9 April 2018 from <http://www.yosuccess.com/blog/vlcc/>
- Merchant, R. (2018, March 4). How is male grooming sector booming in India. *India Retailing*. Retrieved 9 April 2018 from <http://www.indiaretailing.com/2018/03/04/beauty-and-wellness/male-grooming-sector-booming-india/>
- Morr, K. (2016). Logo colors: what's best for your brand? *99Designs*. Retrieved 9 April 2018 from <https://99designs.com/blog/tips/logo-color-meanings/>
- Statista. (2018). Value of the beauty and personal care market across India from 2010 to 2020 (in billion U.S. dollars). Retrieved 9 April 2018 from <https://www.statista.com/statistics/670390/indian-market-value-of-beauty-and-personal-care/>
- Statista. (2018). Value of the men's grooming product market across India from 2011 to 2016 (in billion Indian rupees). Retrieved 9 April 2018 from <https://www.statista.com/statistics/670333/indian-market-value-for-mens-grooming-products/>
- The Economic Times. (2017, June 14). VLCC IPO likely to hit market by Q4 of FY18. Retrieved 8 April 2018 from <https://economictimes.indiatimes.com/markets/stocks/news/vlcc-ipo-likely-to-hit-market-by-q4-of-fy18/articleshow/59148267.cms>
- The Logo Company. (n.d.). Psychology Of Color In Logo Design. Retrieved 9 April 2018 from <https://thelogocompany.net/blog/infographics/psychology-color-logo-design/>
- Rao, M. (2015, September 23). Indian men are finally starting to care about how they look. The Man Company bets on their vanity. *Tech in Asia*. Retrieved 9 April 2018 from <https://www.techinasia.com/indian-men-finally-starting-care-man-company-bets-vanity>

## // APPENDIX

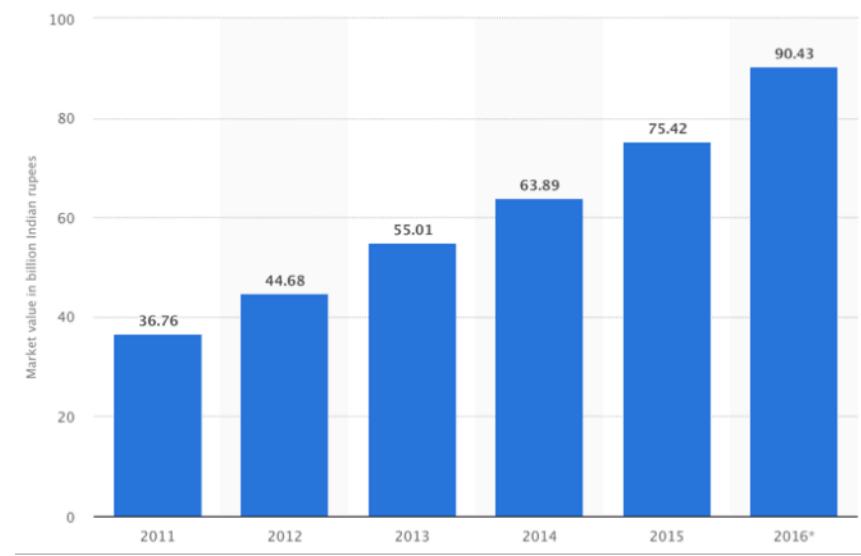
**Exhibit 1:** Charts summarizing how colors can represent specific characteristics of brands.  
 Charts from the website of The Logo Company (n.d.) and 99Designs (Morr, 2016).



**Exhibit 2:** Value of the beauty and personal care market across India from 2010 to 2020 (in billion U.S. dollars), graph obtained from Statista (2017).



**Exhibit 3:** Value of the men's grooming product market across India from 2011 to 2016 (in billion Indian rupees), graph obtained from Statista (2017).



Year	Market Value in billion (U.S. Dollars)	Growth Rate
2010	5.5	N/A
2011	6.5	18.18%
2012	7.6	16.92%
2013	9	18.42%
2014	10.3	14.44%
2015	11.7	13.59%
2016	13.4	14.53%
2017	15.2	13.43%
2018	17.4	14.47%
2019	19.8	13.79%
2020	22.5	13.64%
<b>Average Growth Rate</b>		<b>15.14%</b>

Year	Men's beauty grooming market (Indian rupees)	Growth Rate
2011	35.76	N/A
2012	44.68	24.94%
2013	55.01	23.12%
2014	63.89	16.14%
2015	75.42	18.05%
2016	90.43	19.90%
<b>Average Growth Rate</b>		<b>20.43%</b>