most talented people. They are still driven by the visions that inspired them from the start, much more than by how to keep Wall Street happy.

They also greatly respect each other. Schmidt recently called Jobs 'the best CEO in the world by any measure'.

This is more a contrast of cultures than a clash and it's a long way from being a 'death match'; it's closer to Federer v Nadal than Achilles v Hector. Whoever wins won't be dragging the mangled remains of the other through the dirt.

Android is on the way to becoming the most popular operating system, but iPhone users are likely to retain a significant market share, like RIM's BlackBerry. The crucial difference from the PC world of the late 1980s is that Apple will not be cut off from the mainstream as it was when Wintel became dominant.

There could be only one dominant winner in the smartphone market if one player enjoyed enormous network effects or switching costs. That isn't yet the case and John Gapper in the *Financial Times* has made a strong case for suspecting that it may never happen.

Greene makes much of the fact that 'there is no easy way out of Apple's system . . . Apple's offerings hardly ever let you down, but when they do, you are stuffed, left with sunk costs and a reputation as an Appleist that you would publicly have to disavow.'

> Whoever wins won't drag the mangled remains of the other through the dirt

But this is not lock-in in the way that most businesses are still stuck with Windows and Office, because the cost of switching would be prohibitively high. Appleists have chosen to be different and put up with inconveniences like iPods dying young, as they used to do, because they simply adore them. Some aspects of the cult may be ridiculous, but this is true love. Brands don't get any better than that.

UNIQUE COMPANIES

Neither of these two have serious rivals in their core domains. Despite disrupting nearly every part of the media industry, the only adversary Google has seriously sought to displace is that master of customer lock-in, Microsoft.

Apple has learned to coexist with the old enemy. For years Microsoft was its most important software developer and even now Office for Mac remains crucial for its credibility as an alternative to the PC. Surpassing Microsoft's market cap must have brought enormous satisfaction to Steve Jobs, but now he has more important things on his mind.

The recent announcements that Jobs is taking sick leave again and that Google is changing its leadership structure raises intriguing contrasts. One reason Jobs has been such a successful CEO since his return in 1997 is that he has had in Tim Cook a COO who complements his mercurial brilliance perfectly.

Cook may have played as big a part in the company's transformation as its iconic leader. Until 2002 when the iPod took off, Apple was barely profitable and annual sales were stuck around $6bn.

It has just announced a net profit of that amount for the last quarter alone. Cook revolutionised Apple's production processes and gave it the world's most efficient supply chain. He has been all but a partner to Jobs since he joined from Compaq, and if Jobs should not come back he would probably make as good a successor as Apple could find.

The changes at Google are timely. Having three people take all the important decisions worked well during its extraordinary growth period, but has been clogging things up now that it is a large company with many aspirations. Blaming Schmidt for supposed failures such as not beating Facebook, as some have done, is ridiculous. If anything, Google should be criticised for trying to do too many things at once. What is remarkable is how many have succeeded.

The last thing either of these two needs is a conventional CEO who would try to turn them into machines for maximising shareholder value. Long may they continue to swim against the corporate flow. ■

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INDIA

Building brand power in emerging middle classes

FROM HAMSINI SHIVKUMAR

THE INDIAN middle classes, numbering more than 400 million people, are a large consumer force who are now solidly engaged in gaining upward mobility. This is true perhaps of the middle classes in many emerging countries, especially in the BRIC countries. However, there are specific nuances to the approach to upward mobility in India that arise from the nature of Indian society, which is a highly stratified social hierarchy.

For centuries, social mobility was frozen. People were born into a caste which had its place in the social order, and lived and died there. Even after independence, the socialist economic model with low GDP growth and a huge role for the State ensured that an individual's chances of moving up the social ladder in his or her lifetime were very low.

However, the economic liberalisation process of the past two decades, the growth of Indian industry and the continuing GDP growth at 8.9%, have opened up avenues for every middle-class Indian to aspire to progress forward and upward in their social milieu. Today, the energy and enterprise of a youthful and hard-working population combined with a spirit of optimism and possibility pervade the atmosphere despite the daily struggles of coping with a host of problems, from rising prices to failing infrastructure.

The path to upward mobility, expressed in material terms, means that

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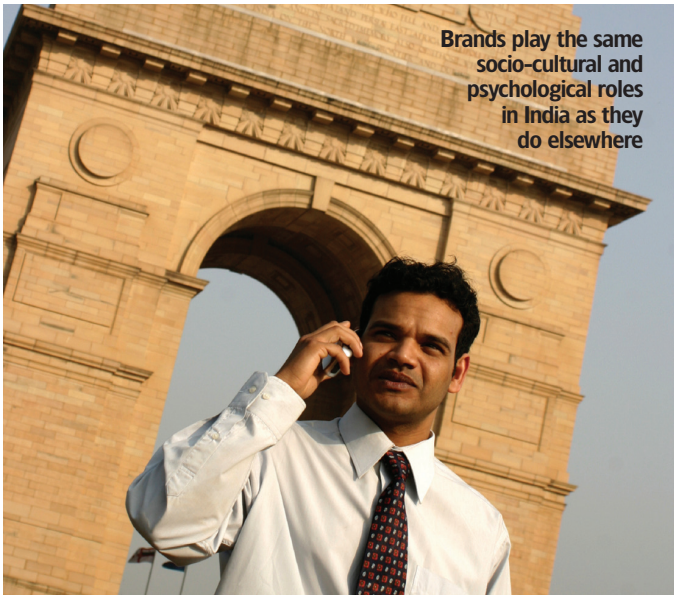
HOW BRANDS MANAGE TO TRANSFER VALUE

Nokia is the market leader and a power brand in the cellphone market in India. For the mass consumer, Nokia transfers all forms of value. Nokia phones can be sold or exchanged in the second-hand phone market for a better price than the competition brands.

In this instance, the brand trust is not merely a reassurance of product quality but an active contributor to the Nokia buyer's stock of capital. By continuously innovating and offering a slew of products as well as educating consumers, Nokia acts as a knowledge source about a product category that they are very interested in. However, Nokia is unable to offer badge and network value to the same degree as Apple and BlackBerry, especially to the upper-income buyers of smartphones.

Raymond is an established Indian brand of men's suiting fabric. It is the market leader in its product category and a power brand by all measures of brand equity. Raymond transfers four elements of value to its buyers, especially in the mass segment. For the principal suit-making and gifting occasion, ie weddings, the Raymond suit is a well-recognised status symbol. Hence the brand is able to charge a significant premium and also to offer products that span a significant price differential. However, for the younger consumers, Raymond lacks distinctiveness compared with international men's apparel brands and, for them, the brand transfers only the first three elements of value, but not beyond. For these consumers, Raymond does not add much to their stock of social and cultural capital, whereas for the small-town, mass consumer, Raymond does. ■



Brands play the same socio-cultural and psychological roles in India as they do elsewhere

FIVE ELEMENTS THAT COMPRISE A BRANDED OFFERING

Value element	Product role	Brand role and power
Task value	Quality/performance	Trust and affinity mark
Add-on value	Offers and deals	Trust and affinity mark
Talk value	Continuous innovation	Knowledge source
Badge value	Stylish design	Status and identity, symbolism and meaning
Network value	Support the myth	Icon, myth, legend and aura

Indian families are working hard to acquire all forms of capital – financial, social and cultural capital. Consumption and exchange via trade of products, services and knowledge are the preferred routes to acquire these forms of capital, as it is in all capitalist-consumer societies.

Two characteristics of the Indian mindset give the process of consumption and capital acquisition a distinctly Indian flavour. First, Indians live and work in an extended network of family, friends and peers arranged in a vertical hierarchy of social relationships. This network is the contemporary version of the traditional joint family. Much trading of products, services and knowledge takes place within this network.

Second, the Indian's attitude towards consumption is marked by a strong value orientation. From the elite and super rich to the man in the street, everyone tries to maximise the return they get on the money they spend. Goddess Lakshmi is the goddess of wealth in the Hindu pantheon; it is believed that the goddess showers blessings on those who respect her by not taking a cavalier attitude to money.

BRAND BENEFITS

As with aspiring middle classes all over the world, the emerging Indian middle classes value brands. And they value brands for the same benefits that brands provide in all consumer societies: brands function as trust marks; they are affinity markers of identification with like-minded people; they act as status symbols, as identity symbols and as carriers of personal reputation and influence. Brands play the same socio-cultural and psychological roles in India as they do elsewhere.

However, the three singular characteristics of the Indian middle class highlighted here require that brand strategists take a forensic approach to decoding value and its linkages to the acquisition of financial, social and cultural capital.

> The Indian's attitude towards consumption is marked by a strong value orientation

The table above sets out five elements of value that typically comprise any branded offering, whether a product or a service, and the role of the product versus the brand in delivering value to the consumer.

The most powerful brands are those that are able to transfer more value elements to the buyer for the price he or she pays. By transferring value, brands add to the consumer's stock of financial, social and cultural capital. If the value transfer is real, not notional, then the consumer is able to trade further down the line, leveraging the brand's power for personal profit. ■

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