

## CASE

### Bajaj Auto Limited: Reincarnating the Chetak Brand

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#### Abstract

Bajaj Chetak was the most loved scooter in India in the 1990s. As new players entered with gearless scooters and disposable income increased, people moved to motorcycles or small cars as a popular means of transport. Chetak lost its market share, and Bajaj Auto exited the scooters category to make its mark in the motorcycle market. In 2019, Bajaj brought back Chetak in the electric scooter category. The electric vehicle market was undergoing a transformation in India, and people were moving to less expensive, green, and affordable solutions. As Bajaj Auto prepares to invest \$33Mn to build the Chetak brand, it was concerned about the brand's acceptability especially among the youth. Chetak was a loved brand in India but had an image of rugged old times scooter. Would Chetak be successful in its new avatar? Would its old brand image impact the new brand associations and entry into this market?

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It was a hot summer day in April 2022, just three months before the next Annual General Meeting of India-based automobile company Bajaj Auto Limited (BAL). The company's fortunes relied heavily on reintroducing its legacy brand Chetak in its new avatar as an electric scooter in January 2020 (Singh, 2022). Rajiv Bajaj, Managing

Director of BAL, said that *“In 2001, Bajaj 2.0 took off on the roaring Pulsar, in 2021, Bajaj 3.0 arrives on the charming Chetak”* ([The Hindu, 2021](#)). The brand was relaunched with the tagline “The World's Favorite Indian.” BAL took the bold decision of building Chetak as an independent brand by dropping the Bajaj umbrella brand. Reincarnating the Chetak brand was a crucial component of the strategy to regain leadership in the domestic two-wheeler markets. Bajaj Chetak was the legacy brand under BAL and enjoyed a monopoly in the Indian scooter market in the 1980s and 1990s before it was discontinued in 2005. It is not very common for companies to resurrect withdrawn brands. *“Will this nostalgia of Chetak continue or flounder in front of fledgling startups and electric vehicles launched by popular automobile manufacturers in the Indian market?”* This was the question lingering in Rajiv Bajaj’s mind as he was preparing to invest in building the Chetak brand as a primary brand for all electric scooters. *He had relaunched Chetak with a vision of making a name in the electric two-wheelers market. After entering the market with the Chetak brand Ravi Bajan needed to come up with strategies to reach the Gen Z consumers, who are primary customers of electric scooters.*

Kamalnayan Bajaj established Bajaj Auto Limited (BAL) in 1945<sup>1</sup>. In 1960, Bajaj Auto struck a technical collaboration with Piaggio<sup>2</sup> to manufacture its products in India and set up a manufacturing unit at Arkurdi, Pune. By 1966, BAL became the largest producer of two-wheelers (motorcycles, scooters, and mopeds) and one of the most widely-recognized Indian brands. The demand for two-wheelers was more than the supply, and consumers had to wait years before owning a two-wheeler. The Piaggio collaboration lasted until 1997. The restrictive government import policies created a protected environment for Bajaj Auto and other domestic manufacturers, permitting them to enjoy a high market share for 22 years. After the two-wheeler sector was opened to foreign technology and equity participation in the mid'80s, Bajaj Auto Limited entered a technical collaboration with Kawasaki of Japan. Bajaj Auto started production of Kawasaki Bajaj 100cc motorcycles in 1986 ([Kainth & Mathur, 2015](#)). By 2001, Bajaj became the market leader in scooters, with an annual production of more than 1.34 million units ([Solanki et al., 2020](#)). It offered products in all segments, and 'Chetak' was the legendary scooter brand that enjoyed high brand equity and was preferred vehicle of the Indian middle-class households.

## The Chetak Brand Legacy

BAL launched many scooter brands. These included Bajaj Super which was in the market between 1976-2006, and Bajaj Cub, a limited-edition motor scooter released in 1987 and

<sup>1</sup> Established M/s Bachraj Trading Corporation Private Limited for importing two and three-wheeled vehicles and selling them in India. Later became Bajaj Auto. <https://www.bajajauto.com/about-us/about-bajaj-group> accessed on October 01, 2022

<sup>2</sup> Piaggio & C. SpA (Piaggio [[pjadd30l](#)]) is an Italian motor vehicle manufacturer, which produces a range of two-wheeled [motor vehicles](#) and compact commercial vehicles. (<https://en.wikipedia.org/wiki/Piaggio>)

discontinued quickly ([Wikipedia Contributors, 2022](#)), and Bajaj Priya (1975-1992). Bajaj Chetak was the most successful brand under BAL. Bajaj Chetak was launched in 1972, named after the legendary horse of the Indian ruler Maharana Pratap ([Barooah, 2019](#)). The regulated market environment gave Bajaj a nascent and potential market waiting to explode. Consumers paid upfront and waited for more than ten years to receive the scooter. It eventually became an affordable means of personal and family transportation for millions of Indian families for decades. Bajaj Chetak signified a rise in social status for the Indian middle class and was almost like a family member to most Indians. Bajaj Chetak was a 150cc<sup>3</sup> scooter with a two-stroke engine, which produced a power of 7.5 BHP<sup>4</sup> and torque of 1.1kgm<sup>5</sup> @ 3500 rpm<sup>6</sup> ([Shafqat, 2015](#)). It had a four-speed manual transmission with a shifter in the left-hand grip and a throttle on the right. Bajaj Chetak connected with Indians with its tagline 'Hamara Bajaj' (Our Bajaj) for four decades and almost had a monopoly on the Indian two-wheeler market ([Mathur, 2015](#)). After enjoying leadership position for years, after 2002, Bajaj sold over 100,000 units of Chetak each month (Exhibit 1).

In the early 1990s, Rajiv Bajaj (son of Rahul Bajaj, the MD of Bajaj Auto in the 1990s) returned to India after completing his business education in the United States. As he started taking charge of the business, he took a hard look at the company and proposed some radical changes. While Rahul Bajaj, Rajiv's father, was proud of the factories he had created at Akurdi and Waluj, Rajiv saw them as grossly overstaffed and inefficient, with a flawed work culture ([Business Standard, 2013](#)). After he took over the leadership position, he convinced his father to discontinue scooter production and move out of scooter market. Rahul Bajaj reluctantly gave in to his son's strategy.

After ruling the two-wheeler market for a quarter century, the brand was discontinued in 2005 due to the competition from motorcycles and changing consumer preferences towards fuel efficiency, aesthetic design, gearless easy-to-drive two-wheelers, and unisex vehicles ([Business Standard, 2013](#)). The young generation found Chetak outdated, bulky and a "middle-aged" brand. Industry experts opined that unrivaled success had put Bajaj on the road to complacency, and they failed to cater to the changing consumer needs ([Anand, 2019](#)). Chetak had a deep emotional bond with its customers. For many households, it was their first vehicle and hence a signified growth in life. Chetak marked an extremely strong image of a Bajaj. 'Hamara Bajaj' jingle resonated with people long after the brand was withdrawn. As the market moved towards gearless scooters, Bajaj also tried its luck and launched its gearless scooter 'Kristal' in 2006, which failed miserably and was withdrawn in 2010 ([Anand, 2019](#)). This was a significant setback for BAL and they decided to exit the scooter market in 2010 completely ([Anand, 2019](#)). (Refer to Exhibit 2 for the timeline of these events).

<sup>3</sup> cc: Cubic centimeter of cylinder capacity

<sup>4</sup> BHP: Brake horsepower

<sup>5</sup> Kgm: Newton metrics for torque

<sup>6</sup> rpm: Revolutions per minute

After exiting the scooter market, Rajiv decided to focus exclusively on motorcycles in the two-wheeler category. This was a part of the company's aim to become the world's biggest motorcycle maker. Bajaj Auto saw Pulsar and Discover motorcycles do well in India with high profitability. Their margins from Pulsar was above the industry average at 15 percent. There were greater growth opportunities in motorcycles in both domestic and global markets ([Anand, 2019](#)). With changing social and economic structure in India increasing the share of women in the workforce, the share of gearless scooters risen from 14% in 2008 to about 25% in 2014, and the absence of Bajaj served the scooter's growth pie to Honda Motors on a platter ([Anand, 2019](#)).

For almost a decade, Bajaj tried to establish its foothold in the domestic and global motorcycle market. However, its market share declined from 24.3 percent in 2010 to 15.7% in 2018<sup>7</sup>. Domestic sales of motorcycles in September 2019 stood at 215,501 units and were down by 31% over last year. Total motorcycle sales were 336,730 units, with a decline of 22% as compared to 430,939 units sold in August 2018. Exports in September declined 2% to 186,534 units against 190,506 units exported in September 2018 ([Mint Newspaper, 2019](#)). After 2018, the two-wheeler market in India took a turn as more and more women joined the workforce and sought convenient transport, and people in general preferred scooters again. Bajaj came down to the fourth position from the second position since it exited the scooter market, and it was time to rethink ([Mint Newspaper, 2019](#)).

### **Indian Electric Scooter Market: An Overview**

The Indian electric scooter and motorcycle market had experienced continuous growth since 2014. In 2019, about 152,000 electric scooters and motorcycles were sold, a 20.6% rise on an annual basis from 2014. It was predicted that the yearly retail sales volume would reach 1.08 million units by the end of 2025, with a CAGR of 57.9% during 2020–2025, and the retail sales value was expected to rise to over \$1.0 billion by 2025, a CAGR of 63.9% (Exhibit 3 shows projected growth). India was the third-largest carbon-emitting country in the world, accounting for around 6% of the global CO<sub>2</sub> emissions from fuel combustion. Two-wheelers were the largest vehicle category in India, accounting for 70% of the 200 million on the road vehicles and 80% of new vehicle sales every year. They contributed to a significant portion of vehicular emissions, responsible for 20% of the total CO<sub>2</sub> emissions and about 30% of the particulate matter (PM) emissions in urban areas ([P&S Intelligence, 2023](#)). The government's focus on curbing pollution levels in the country gave a positive regulatory push for electric two-wheelers and helped the Indian electric scooter market grow. Due to COVID-19 pandemic, people became paranoid about shared commute and wanted personal mobility. Electric two-wheelers emerged as a preferred option due to convenience, environmental benefits, and economy. Low-speed electric scooters (less than 25 km/h) were expected to dominate the Indian

<sup>7</sup> (company website)

electric scooter and motorcycle market due to their low-cost maintenance and emerge as a substitute for conventional fuel-based mopeds (P&S Intelligence, 2023). The electric two-wheeler market was growing and hence attracted many national and international manufacturers (Exhibit 4).

The electric two-wheeler segment buyers preferred affordability more than intelligent features. With petrol prices in India surging between 16-20% per annum after FY 2000, the shift to electric vehicles became a necessity for many. Hero Electric and Okinawa cornered half the market for themselves, leaving the rest for over a dozen two-wheeler makers to fight over (Jain, 2022) (Exhibit 4). After 2018, Mahindra & Mahindra and others were planning to foray into the electric scooter market. Almost 399 startups were trying their luck in this domain (Niveditha, 2022). (Exhibit 5 provides the top ten electric scooter models, their features and their sales performance).

**The policies of the** Government of India (GOI), have also encouraged the use of electric vehicles. GOI had set ambitious automobile industry goals. In that context, it unveiled the National Electric Mobility Mission Plan (NEMMP) 2020 in 2013 (Press Information Bureau, 2015). The plan supported the hybrid/EVs development and manufacturing ecosystem with a push to save US\$100 billion fossil fuel annually, reducing pollution in cities by 80-90%. Tax breaks and subsidies were given to the EV manufacturers to nurture the EV industry. GOI introduced the Vehicle Scrappage Policy 2021 to remove unfit vehicles from use to reduce pollution and protect the environment (Bajaj Allianz General Insurance, 2023). Another initiative was battery swapping, which de-linked the vehicle and fuel to bring down the upfront cost of the vehicles. Battery swapping offered three key advantages relative to charging—time-saving, space-efficiency, and cost-effectiveness.

Further, battery swapping provided a level playing field for innovative and sustainable business models such as 'Battery as a Service.' The vehicle charging ecosystem was created by allowing individuals or entities to set up Public Charging Stations (PCS) without licensing. Also, it cleared the way for EV owners to charge their vehicles at home or offices from existing connections at domestic tariffs. GOI believed such policy initiatives would help realize the target of 100% EVs in the country by 2030 (Ghosh, 2022).

## The Chetak Returns

In October 2019, Bajaj Auto announced its re-entry into the scooter segment with the launch of its electric scooter- Chetak. Rajiv Bajaj mentioned, *"When we do something, it's better to come first, and there is virtually no point coming second or third. Scooters and step-throughs are a very important segment, and we have not made the electric Chetak be in the volume space. We are trying to build meaningful niches with three-wheelers, superbikes, and electric scooters."* (Ghosh, 2019)"

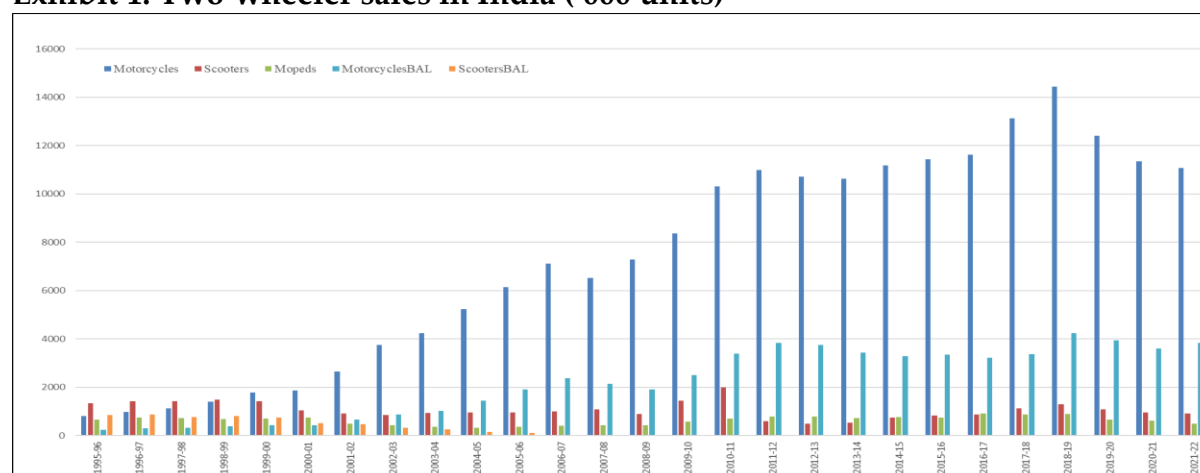


In early 2019, Bajaj Auto planned to invest INR. 33 Million<sup>8</sup> on EV scooters and decided to make a comeback. Rather than choosing a new contemporary name, Bajaj resurrected the Chetak brand in January 2020. It was a homecoming after a few decades as new Chetak electric scooters were rolled from the Akurdi plant in Pune from where the erstwhile Bajaj Chetak scooters were manufactured. The top management was convinced that the legendary brand, which once resonated with Indian consumers would recreate the magic. Chetak entered the premium market at INR. 147,000 with a maximum speed of 63 Kilometers per hour (Kmph.). The company expanded dealer network from 8 cities in February 2020 to 12 cities in February 2022 ([The Economic Times, 2022](#)).

The company wanted to build on the existing equity of the brand. The brand enjoyed a strong brand image, high nostalgia, high brand recall and had a special place in people's hearts ([The Economic Times, 2022](#)). However, Chetak had its own set of consumer perceptions and brand image influenced by its earlier avatar. among the Gen Z and the millennials. They perceived the brand as an old-world bulky scooter that used by 'my father.' It was perceived as old and not contemporary and associated with 'olden times'. That image had to be shed and changed to Chetak being a green, convenient new-age premium brand. Initial results were positive, and the nostalgia was working, but very few Gen Z were buying the brand.

Rajiv Bajaj knew that entering the electric scooter market was an important decision, and he was confident about the brand Chetak. But would Chetak's existing brand image and associations impact its growth and acceptance among the youth? Could Chetak strike the correct association and relationship with consumers with its electric scooter launch? Would the social memory and nostalgia work positively, or could they turn into an impediment? The intuitive sense was positive, but consumers perceived the brand differently, and the concern remained if Chetak could re-create the magic.

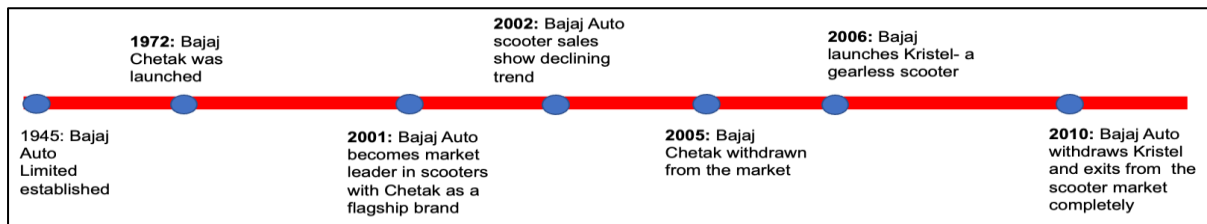
### Exhibit 1: Two-wheeler sales in India ('000 units)



Source: Center for Monitoring Indian Economy - Prowess Industry Outlook Database

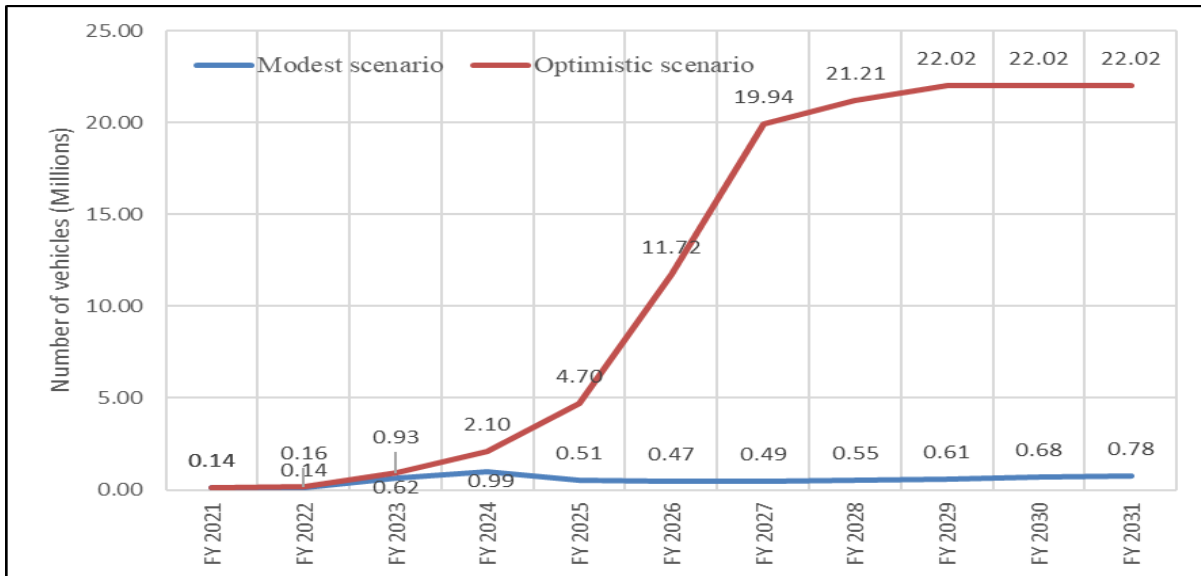
<sup>8</sup> USD 1 = INR 71.3 as on September 26, 2019.

### Exhibit 2: Timeline of Events



Source: Prepared by authors based on case facts

### Exhibit 3: Electric Two-wheelers sales forecast



Source(s): National Institution for Transforming India (NITI Aayog); Technology Information, Forecasting and Assessment Council; ID 1029838.

<https://www.statista.com/statistics/1029838/india-projected-electric-two-wheeler-market-size/>

### Exhibit 4: Sales, Growth and Market Shares of Electric Scooter Manufacturers in the Indian market.

Company	FY2022 unit sales	FY2021 unit sales	Difference	Growth (%)	Market share (% FY22)
Hero Electric	65,303	14,771	50,532	342	28
Okinawa	46,447	6,972	39,475	566	20
Ampere	24,648	5,903	18,745	318	11
Ather	19,971	4,401	15,570	354	9
PUREV	14,862	2,079	12,783	615	6
Ola	14,371	-	14,371	-	6
TVS	9,458	837	8,621	1030	4
Revolt	7,623	1,793	5,830	325	3
Benling	7,084	1,108	5,976	539	3
Bajaj	7,012	1,470	5,542	377	3
Others	14,559	1,712	12,847	750	6
Total	2,31,338	41,046	1,90,292	464	100

Source: Jain, R. "Electric two-wheeler sales surge over 5 times – Hero Electric, Okinawa corner half the market, Ather's market share declines", April 11, 2022, Downloaded from <https://www.businessinsider.in/business/auto/news/electric-two-wheeler-sales-surge-over-5-times-in-2021-22/articleshow/90775731.cms>, Accessed on Sep 26, 2022

**Exhibit 5: Main product features of the top ten electric scooters in Indian Market**

Company and Model	Price (INR'000)	Battery Capacity (kWh.)	Range (Km.)	Charging time (Hrs.)	Top Speed (Kmph.)
Ola S1	97.71	2.98	121	5.00	90
TVS iQube Electric	92.99	3.04	75	5.00	78
Ather 450X	140.12	2.23	70	5.45	80
Hero Electric Photon	80.94	1.87	108	5.00	45
Bajaj Chetak	142.30	3.00	95	5.00	70
Okinawa Ridge Plus	69.78	1.75	120	3.00	55
Siple One	110.00	4.80	300	3.00	105
Bounce Infinity E1	69.78	1.90	85	5.00	65
Hero Electric Opima CX	62.19	1.50	82	5.00	45
Ampere V48	37.39	1.15	60	6.00	25

Source: "Top 10 Electric Scooters in India 2022" September 13, 2022, HT tech, <https://tech.hindustantimes.com/tech/news/5-electric-scooter-in-india-with-price-71654606763940.html>. accessed on Oct 01, 2022.

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## Teaching Note

### Bajaj Auto: Reincarnating Chetak Brand

#### Synopsis

Bajaj Chetak, from Bajaj Auto Limited, was the most loved scooter in India in the 1990s. Later, with the increase in the disposable income, people wanted convenience and preferred the new gearless scooters, motorcycles and small cars as a popular means of transport. Chetak lost its market share, and Bajaj Auto Limited exited the scooters category to concentrate on the motorcycles in the domestic and international markets. However, in late 2019, Bajaj brought back Chetak in the electric scooter category. The electric vehicle market was undergoing a transformation in India, and people were moving to less expensive, green, and affordable solutions for transport. Government also supported the EVs as it would bring down pollution. Rajiv wondered if *Chetak be successful in its new avatar? Would he be able to leverage the existing nostalgic brand image of Chetak positively or will it negatively impact its new brand associations and successful foray into this market? Would his company be able to recreate the magic of Chetak brand and be loved by the new young India?*

#### Keywords

Brand re-launch, electric scooters, market-exit, India, two-wheeler market, brand equity, brand nostalgia,

#### Suggested Audience

The case can be used in undergraduate and post-graduate classes for brand management and strategic marketing courses. Participants should understand the basics of brand management, brand equity, and brand image. The case can also be used for executive training programs for covering issues related to strategic marketing decisions.

#### Learning Objectives

Students should be able to

1. Understand the pros and cons of re-launching the brand, considering the positive associations (nostalgia) and/or negative brand baggage.
2. Think about the situations in which companies can re-launch brands
3. Evaluate the decision to re-launch based on past associations with the brand and consumer acceptance

#### Thought Questions

1. Evaluate Bajaj's decision to exit the scooter market and later re-enter the same.
2. What are the positive and negative associations around Bajaj Chetak which Rajiv Bajaj would have considered when he decided to bring back Chetak brand into the market?

3. What are the pros and cons of re-launching the Chetak brand in an electric scooter category? Should Rajiv Bajaj worry that Chetak may not be accepted by young Indian population?

## Theory Associated

The instructor should focus on theories around brand associations and brand nostalgia. The late twentieth century was characterized by an astonishing “nostalgia boom” (Naughton & Vlastic, 1998, p. 58), and many marketing scholars have examined that phenomenon. Although there is rich marketing literature on the mainsprings of today's nostalgia boom, the scholarly touchstone remains Davis' (1979) much-cited distinction between *personal* and *communal* nostalgia. Bajaj Chetak has shown both the phenomenon and hence was a classic case for the resurrection.

Davis proposed that personal experience is necessary in defining a relevant past for nostalgia. The future work proposed that past may also include situations and events outside the subject's personal experience. These phenomena are associated with the individual's past through learning or communication and then become available for nostalgic reflection. He says that a clear distinction may be drawn between (1) nostalgia-based marketing messages and (2) inherently nostalgic products or services. Titan watches may evoke the 1990s through return of their Titan music and jingle, but the re-launch of Chetak in electric vehicle category is a new product experience for most consumers. Products such as Dalda, and Ovaltine are themselves likely to evoke memories of past times and to inspire nostalgic reflection, not only through advertising appeals but through the consumption of the products themselves. The advertising may explicitly encourage the retrieval of these memories through cues such as music, jingles, slogans, and visual images. In these cases, the consumer already has a potentially complex network of associations built up around the product and the marketer only needs to facilitate access. There is risk of recalling negative associations, but one important characteristic of nostalgia is the filtering of negative information--the past is almost always remembered as better or happier than it probably was (Davis, 1979). According to Cattaneo and Guerini (2012), consumers appear to prefer updated brands with nostalgic associations to pure retro-brands. More tangible and updated product features, like in Bajaj Chetak case, signifies that retro branding strategy with updated product will drive preferences, confirming that nostalgic brand associations alone cannot be the ‘hub’ of a reincarnated brand strategy.

Brand equity- Keller's CBBE (consumer-based brand equity) framework can be used to tie both these concepts. It builds on how brand awareness, perceptions, and judgments impact brand equity over time. According to the model, building a strong brand involves four steps: (1) establishing the breadth and depth of brand awareness, (2) creating the appropriate brand meaning through strong, favorable,

and unique brand associations, (3) eliciting positive, accessible brand responses, and (4) forging brand relationships with customers that are characterized by intense, active loyalty. Achieving these four steps, in turn, involves establishing six brand-building blocks—brand salience, brand performance, brand imagery, brand judgments, brand feelings, and brand resonance (Keller, 1999).

## Pedagogy

### A. 5-minute self- test (appendix)

### B. Editable PowerPoint presentation (attached separately)

**Methodology#1:** Thought questions and abbreviated answers (given above) to facilitate class discussions

#### 1. Evaluate Bajaj's decision to exit the scooter market.

Bajaj Auto was the leader in the scooter business in India, and the Chetak brand was a household brand in India. Bajaj's name became synonymous with scooters, just like Surf was for detergent. In the absence of formidable competition, the company held a near monopoly position till the late 1990s. HMSI entered the Indian scooter market in 2001 and launched the Activa gearless scooter, which was an early success because of its easy handling, electric start, refined engine, and distinct looks. Customers started migrating toward Honda, and Bajaj's Chetak began to appear ancient. Bajaj, which was not ready to accept this failure went dormant. Chetak was killed in 2005. Bajaj came up with its gearless scooter 'Kristal' as a savior in 2006, which failed miserably.

However, the Indian market was changing. The scooter was moving from being a male vehicle to a unisex vehicle. Women were moving out of their homes and joining the workforce. The market share of scooters has increased from 14% in FY2008 to about 25% in FY2014, and the absence of Bajaj served the growth pie on a platter to Honda. Bajaj had a strong place in the scooter market, and investment in R&D, new designs, and features could have helped it retain its position there. Exiting the market contributed to the cost of lost opportunity. The idea to completely back off scooters was not ideal because Bajaj had a strong image of being a scooter manufacturer with a high brand recall and equity, which could have been translated into profits with some investment in R&D.

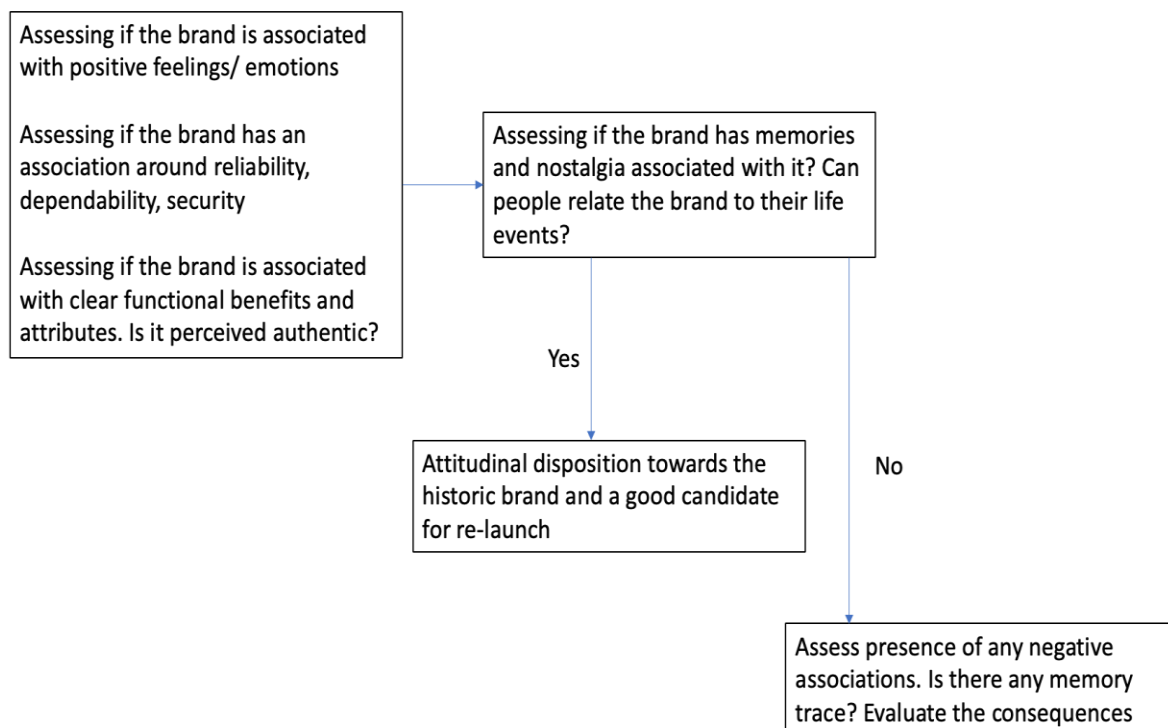
#### 2. What are the positive and negative associations around Bajaj Chetak which Rajiv Bajaj would have considered when he decided to bring back Chetak brand into the market?

Bajaj Chetak had served India for decades and was an important member of every middle-class Indian family. The vehicle enjoyed many memories of people, families and their lives. Bajaj Chetak was an aspirational brand. It marked progression and

growth in people's lives. The brand was reliable and trustworthy. However, after Honda entered the market with better-looking, convenient scooters, Chetak started losing its sheen. It was thought to be an old brand that failed to upgrade itself. People thought it was a heavy scooter and was not as seamless and convenient as new scooters came into the market. It was considered the scooter 'of my father's times.' Rajiv Bajaj would have taken both into consideration and he wished to use the positive nostalgia, pride of owning Bajaj and reference power of parents to convince the new generation to buy electric Chetak. The launch into EV category signified evolution of brand and being 'with the times'; while the nostalgia renders to trust in the brand.

### 3. What are the pros and cons of re-launching the Chetak brand in an electric scooter category? Should Rajiv Bajaj worry that Chetak may not be accepted by young Indian population?

The instructor can use the following framework to streamline discussions for this question



TN Figure 1: Created by authors

Adapted from Eleonora C, Carolina G. Assessing the revival potential of brands from the past: How relevant is nostalgia in retro branding strategies? *Journal of Brand Management*. 2012;19(8):680-687.

Bajaj Chetak had positive emotions and feelings. It was a reliable and durable scooter for India, and people swore on its quality, mileage, and value for money. Research also showed that people had their own stories around Chetak, and hence the brand sat on huge nostalgia. This made Bajaj a good candidate for re-launch.



However, towards the end, the brand was considered an old fuddy-duddy brand, and hence that was a task Rajiv Bajaj had to deal with. He had to strike a connection with the youth (18 years plus), who were the prime target audience for electric scooters but may not have had a strong connection with Chetak in the past. They had the task of carrying forth the nostalgia parents held for the new generation.

The instructor can give an example of a brand like Dalda, which didn't enjoy many feelings, nostalgia, and memories in consumers' minds though it had clear functional benefits and was considered reliable. Therefore, the re-launch of Dalda was unsuccessful. Thus, the resurrection of the brand needs a strong emotional connection and nostalgia.

Yes, Rajiv Bajaj must consider these. He has decided to re-launch Chetak brand with a belief that the positive nostalgia of the brand along with perception of reliability and dependability is so high that it will do well in electric scooter category. However, he is aware that the Gen Z and young India believe that the brand is an old brand and lacks the 'cool' status, and that worries him. Only time can tell if launch in an upcoming and sophisticated technology market can also help Chetak shed off this 'my father's scooter' image. This is in line with Davis' (1979) proposition on nostalgia.

## Methodology#2: Videos

The following videos of old and new videos of Chetak can help shape discussions in class.

### *Old Bajaj Chetak Advertisements*

<https://www.youtube.com/watch?v=2sKnIjNnnkY>  
<https://www.youtube.com/watch?v=Z-ldTOWeKQE>

### *New Bajaj Chetak Advertisements*

<https://www.youtube.com/watch?v=Kv1fTM7xrKg>  
<https://www.youtube.com/watch?v=l0cLQ1j0dlQ>

The two ads use the old connection and nostalgia of Chetak, along with the music but show the new avatar of the brand to connect with a new audience. The ads show the connection and how the brand has evolved, yet the roots remain the same. This would reinforce the theoretical foundation of how nostalgia, combined with new product features and accepting roots to build on a strong relationship, can significantly help new re-launched brand leverage existing memory and equity.

The instructor can divide the class into groups and ask them to view one set of videos (either old or new). They can now share their perceptions of the brand based

on the communication. The instructor can then moderate the discussions and summarize to reveal how accepting and being connected to the roots helps the brand make a comeback.

### Methodology#3: Written assignment:

Students should be asked to answer the following question to apply the class discussions on Bajaj Chetak to a broad context across industries. This would help them appreciate the learnings from the class and evaluate how these could be used in decision-making. They should also search for another example of brand re-launch in the associated/other categories.

*When should companies use the existing brand name? When is the new name important? Give an example*

Students are expected to write 250-word answers where they highlight the instances companies should bring back the brand name. These could be when the brand is relaunched in the same category and was discontinued when it enjoyed high equity. It has greater recall value, and people still remember the brand with positive memories. The category and brand are also liked by the target age group, so acceptability was a non-issue. Brands considered old or if much technical progress has happened in the category can hamper the re-launch in the same category. The brand, in that case, needs some tweak in the brand name. Students are expected to give some examples of successful and not-so-successful re-launches. Some examples are Dalda, Crystal Pepsi, Jawa, Rola-Cola candy, Lambretta scooter, etc.

### Methodology #4: Additional References for teaching faculty

- Cattaneo, E., & Guerini, C. (2012). Assessing the revival potential of brands from the past: How relevant is nostalgia in retro branding strategies? *Journal of brand management*, 19(8), 680-687. <https://doi.org/10.1057/bm.2012.16>
- Davis, F. (1979). *Yearning for Yesterday: A Sociology of Nostalgia*. New York: The Free Press. <https://www.thriftbooks.com/w/yearning-for-yesterday-a-sociology-of-nostalgia-fred-davis/344316>
- Keller, K. L. (1999). Managing Brands for the Long Run: Brand Reinforcement and Revitalization Strategies. *California management review*, 41(3), 102-124. <https://doi.org/10.2307/41165999>
- Naughton, K., & Vlasic, B. (1998). The nostalgia boom. *Business Week*, 50-54. <https://www.bloomberg.com/news/articles/1998-03-22/the-nostalgia-boom>
1. Brown, S., Kozinets, R. V., & Sherry Jr, J. F. (2003). Teaching old brands new tricks: Retro branding and the revival of brand meaning. *Journal of Marketing*, 67(3), 19-33.
  3. Davari, A., Iyer, P., & Guzmán, F. (2017). Determinants of brand resurrection movements: why consumers want dead brands back? *European Journal of*

- Marketing. 51( 11/12), 1896-1917.
5. Dion, D., & Mazzalovo, G. (2016). Reviving sleeping beauty brands by rearticulating brand heritage. *Journal of Business Research*, 69(12), 5894-5900.
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  8. Taylor, J. (1995) Retrobranding: It's got to be the real thing and work right like it used to. *Brandweek* 36(18), May 1: 16.
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  11. Wansink, B. (1997) Making old brands new. *American Demographics* (19): 53-58
  12. Goi, C. L., & Goi, M. T. (2011, February). Review on models and reasons of rebranding. In *International conference on social science and humanity* (Vol. 5, No. 2, pp. 445-449).
  14. Aaker, D. A. (1997). Should you take your brand to where the action is?. *Harvard business review*, 75(5), 135-144.

Instructor may share the following business news articles after class discussions:

1. Bajaj puts Chetak brand building blocks in place, by Murali Gopalan, The Hindu Businessline November 1, December 6, 2021. <https://www.thehindubusinessline.com/companies/bajaj-puts-chetak-brand-building-blocks-in-place/article29964662.ece>.
2. Bajaj brings back iconic 'Chetak' in new avatar, by Sharmistha Mukherje. The Economic Times, October 16, 2019. [https://economictimes.indiatimes.com/industry/auto/two-wheelers-three-wheelers/bajaj-brings-back-iconic-chetak-in-new-avatar/articleshow/71611715.cms?utm\\_source=contentofinterest&utm\\_medium=text&utm\\_campaign=cppst](https://economictimes.indiatimes.com/industry/auto/two-wheelers-three-wheelers/bajaj-brings-back-iconic-chetak-in-new-avatar/articleshow/71611715.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst). Accessed on Oct 01, 2022
3. Bajaj Auto's Eric Vas on Chetak, 2W OEMs entering EV business, setting up battery plant and EV market growth, by Aditya Chatterjee, Over Drive, November 26, 2019. <https://www.overdrive.in/news-cars-auto/features/interview-bajaj-autos-eric-vas-on-chetak-2w-oems-entering-ev-business-setting-up-battery-plant-and-ev-market-growth/> Accessed on Oct 01, 2022.

## Epilogue

Bajaj Chetak seems to be doing very well, and the nostalgia of the old Chetak is working positively. The reason is how the brand has remained connected to its old roots and built to create a new, relaunched brand identity. This enables the


consumers to see and connect with old associations. One of the reasons for a successful launch is also positive memories of the brand in consumers' minds. The company wants to make Chetak as a primary brand name for all its EV offerings. Rajiv Bajaj told media "Going forward, the Chetak platform will be used to roll out electric scooters under the KTM and Husqvarna (the Swedish motorcycle brand acquired by KTM) brands. Along with Chetak, all three will be positioned as global offerings for a host of other markets"<sup>1</sup>.


## 5-minute self-test

### Bajaj Auto: Reincarnating Chetak Brand

1. Why did Bajaj launch Kristal?
2. The re-launch of the brand decision is based on
  - a. customers' understanding the functional benefit of the brand
  - b. customers having emotional associations with the brand
  - c. customers having some memory or nostalgia around the brand
  - d. All the above
3. Why did Bajaj exit from the scooter market?
4. If you were Rajiv Bajaj, would you have also exited the scooter market or built both the scooter and motorcycle market? Why? (Provide rationale)

## Presentation





**International Journal  
of Instructional Cases**


**Bajaj Auto: Reincarnating Chetak Brand**

- Instructor's Name
- Course
- Section

**AGENDA**

- Brief discussion on two-wheeler market in India and its growth
- Overview of Brand Nostalgia and Brand Equity
- Share link to videos and discuss
- Go over the self-test
- Break into teams and discuss thought questions- *"If Reincarnation of Bajaj Chetak a good idea?"*


**International Journal  
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### LEARNING OBJECTIVES

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1. Understand the pros and cons of re-launching the brand, considering the positive associations (nostalgia) and/or negative brand baggage.
2. Think about the situations in which companies can re-launch brands
3. Evaluate the decision of re-launch based on past associations with the brand



### THOUGHT QUESTIONS

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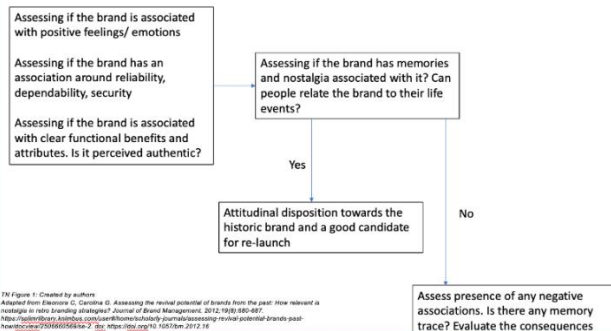
1. Evaluate Bajaj's decision to exit the scooter market and later re-enter the same.
2. What are the positive and negative associations around Bajaj Chetak which Rajiv Bajaj would have considered when he decided to bring back Chetak brand into the market?
3. What are the pros and cons of re-launching the Chetak brand in an electric scooter category? Should Rajiv Bajaj worry that Chetak may not be accepted by young Indian population?



### THOUGHT QUESTIONS

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#### Framework for discussing brand re-incarnation



### EPILOGUE

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Bajaj Chetak enjoyed strong emotional connection and nostalgia with its customers. It had a clear functional benefit associated with itself. All three together makes Chetak a good candidate for reincarnation.

