



Paradigm Shift in Marketing

A Research Study Report



Dr. V. N. Bedekar Institute of Management Studies, Thane



Education and Research in the Field of Management

Paradigm Shift in Marketing

A Research Study Report

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PROLOGUE

“The dynamic and fast-changing nature of our world today is best described by Volatility, Uncertainty, Complexity and Ambiguity (VUCA). We are living in a world where volatility and uncertainty have become the New Normal.”

Through these lines, Harish Manwani, Chairman, HUL, in his speech at AGM (2013), aptly captures the essence of the uncertain, constantly changing world that influences decision-making in organisations. Infact never before has this change been more pronounced than in the last decade, where the market has evolved in myriad of ways limited only by genius of people riding at the crest of the wave of change.

This evolution has unfolded through the changing dynamics in the marketing environment due to a 'laissez faire' consumer sovereignty, unleashed by the triad forces of globalisation, liberalisation and privatisation facilitated by continued progressive transformation in the prowess of information and communication technology. The changing market structure in India, post liberalization, saw the expansion of burgeoning middle class swelling in its aspirations, demands and purchasing power releasing in its trait, a revolution of rising consumer expectations. It is true that the deferral of the second generation economic reforms have forced the middle class to postpone their dreams for the time being. However the middle class is expected to steadily grow over the next decade and the sheer size and rising aspirations of the segment makes it a very attractive market for both domestic and international organisations.

It is interesting to observe in the context of increasing consumerism that unlike in the past, we Indians now live in what truly is the 'Attention Economy'¹ where the most scarce input, nay commodity is the consumers' attention. Herbert Simon, Nobel Prize Winner for his research on decision making in organisations, who originally developed the concept of Attention Economy states, “(what) information consumes is rather obvious: it consumes the attention of its recipients. Hence a wealth of information creates a poverty of attention and a need to allocate that attention efficiently among the overabundance of information sources that might consume it”². With increasing affordability in favour of use of electronic gadgets alongwith proliferation of media, especially online media like networking sites, blogs and mobile phone applications, the average consumers' senses are bombarded with thousands of stimuli, leading to a series of impulses and provocations, starting right from the moment they wake up.

¹Beck, J and Davenport T. (2001), *The Attention Economy: Understanding the New Currency of Business*, Boston: Harvard Business School Press

²Simon H. (1971), *Designing Organisations for an information-rich world*, Computers, Communications and Public Interest

How will you as a marketer wade through this clutter, how will you capture the consumers' attention and keep them constantly engaged?

How will you keep pace with this uniquely dynamic environment where consumers are co-creators of value?

How will you deal with the increased uncertainty?

Marketers have always faced these challenges and changes, yet they now face it with greater vigor and urgency than ever before. These challenges called for a radical transformation, infact nothing less than a paradigm shift in the art and science of marketing to meet the universal challenges of emerging times and sustaining a competitive edge.

We at Dr. V. N. Bedekar Institute of Management Studies have put forth a comprehensive study which explores the marketing practices of 64 companies across different sectors of India Inc. This insightful study encapsulates the paradigm shift taking place across different dimensions through various domains of marketing; thus highlighting a need for enhanced and real time customization of customer solutions to achieve business objectives.

The research report interestingly not only captures the shifts in marketing practices which address the challenges posed to marketers, but also substantiates the research findings with quotes from decision makers in the industry and is well interspersed with live examples taken from a cross-section of India Inc. and effectively inter-woven into the research findings. To understand the new dynamics of the changing business world, this research study on Paradigm shift in marketing, is a novel marketing lens.

Thus if marketing is akin to getting on to an exciting, thrilling roller coaster ride with unexpected twists and turns at every corner, we ask you to fasten your seatbelts as we take off into this changing world of marketing where companies are realigning their marketing strategies to the 'New Normal'!

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OBJECTIVES OF THE RESEARCH STUDY

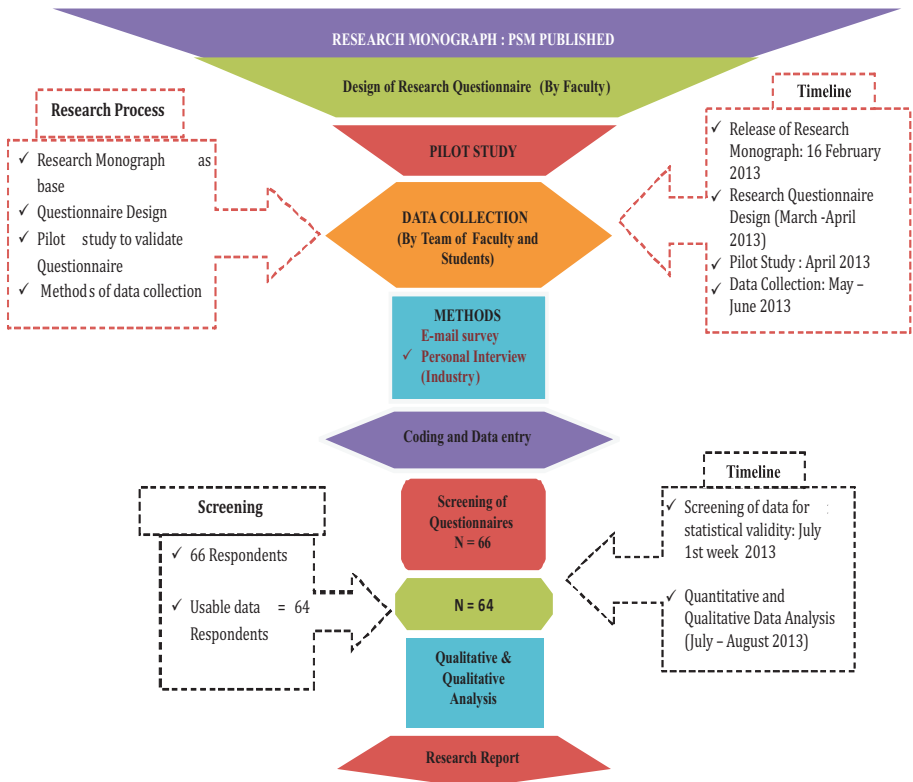
The research study, 'Paradigm Shift in Marketing', aims to help organisations, professionals, students, teachers, researchers and all those interested in the domain of marketing, its allied areas and new forays to:

1. Identify the nature, scope and conceptual framework of the marketing function in current and emerging times vis-a-vis the historic profile;
2. Identify the paradigm shift in marketing over the years and understand the *raison d'être* for the same;
3. Explore research evidence in favour or against any paradigm shift and the lessons from the same;
4. Understand the changing profile of marketing from the perspective of advertising including the emergence of a powerful tool social media, the reasons for, and messages from, the same;
5. Focus on the changing profile of customers, their behaviour, and how marketers understand, respond and adapt to respond to the ever changing customers' needs in a customer driven environment;
6. Identify the state-of-the-art with respect to the mode of operation of the marketing function and its significance for various marketing / business decisions vis-à-vis ICT and digital maturity;
7. Assess the resource effectiveness of marketing efforts and the challenges for enterprise on a global basis in the context of increased accountability of marketing performance;
8. Realize the dynamic, flexible and volatile dimension of the business environment and the need for businesses to respond and align their marketing strategies, in decreasing response time, on a pre-emptive basis;
9. Asserting the impact of progressive liberalization, privatization and globalization policies across the world, on the shifting paradigms and the implications for marketing strategies in terms of balancing between profit motivation, customer delight, social inclusion, along with ethical and responsible marketing management in all segments of society for all products and services;

The Research addresses each of the above issues in turn and should provide value addition to students, teachers and other stakeholders like management institutes, other individuals/ groups and institutions concerned with marketing and allied areas viz. advertising, logistics, market research and particularly new forays in marketing viz. retail marketing, online marketing, rural marketing, mobile marketing et al.

RESEARCH METHODOLOGY

RESEARCH PROCESS MODEL CHART



Type of Research :

'Paradigm Shift in Marketing' is a descriptive research undertaken by DR VN BRIMS in order to study the various paradigm shifts in marketing domain experienced by the target respondents.

Data Collection Technique

Primary data was collected using a structured questionnaire. The questionnaire was circulated via emails and also in person by the data collection team including students and faculty of DR VN BRIMS. The questionnaire illustrates various functions in marketing as revealed in the research monograph viz. companies' marketing objective, promotional mix strategies, media planning, brand management and brand equity, rural marketing, segmentation, pricing of products and services, new product development process and various other functional domains related to marketing.

The questionnaire also addressed few contemporary marketing concepts like customer engagement, digital marketing, social media marketing, in film product merchandising etc. The questionnaire directed at the targeted respondent companies attempted to obtain information relating to various aspects of paradigm shift in marketing through:

a. Close Ended Questions :

Four types of close ended questions were used. The questions were structured as mentioned below so as to subject them to statistical analysis to defend (otherwise) the hypotheses setup against various questions:

1. Rating Scale questions: The respondents are expected to rate a particular phenomenon on a numerical scale of 1 to 5 or 1 to 7.
2. Rank order questions: In rank order question respondent is given a series of items to be ranked in a particular order.
3. Multiple choice questions: In multiple choice questions the respondents are asked to choose between two or more appropriate alternatives.
4. Yes/No: Answers for precision, ready statistical tabulation and eventual interpretation and critical examination

b. Open Ended Questions :

Few open ended questions were used to provide the respondents an opportunity to express or narrate their views in an unfettered manner. These were subjective responses regarding the prevailing practices in the target respondent companies.

The questionnaire for the study is attached in the Annexure.

Sample Description :

The sample technique, size, and demography used in this research are as follows:

The sampling technique used in this study is convenient sampling.

Though responses were received from more than 66 companies responses of only 64 respondent's met the expectations for further analysis.

Further screening of the data of 66 respondents, referred above, showed that not all respondents had answered all the 28 questions. In fact, nearly 50% of the 66 respondents had not answered all the questions. The sample size would then be drastically reduced to 30. Hence, in order to ensure that the data collected was fruitfully used, particularly for statistical analysis the responses were classified into 3 distinct areas – questions subjected to statistical analysis, graphical presentation and qualitative analysis. Responses to four questions were to be subjected to statistical analysis. Hence the pattern of data analysis was as follows: 6 questions – statistical analysis, 13 questions – graphical representation and 6 questions – qualitative analysis.

After due deliberations and evaluation of the questionnaires received it was decided to pursue this study with N=64, where N equals the numbers of respondent companies or usable respondents. However for two out of four questions (question 5 and 11) the data of only 30 respondents could be used.

A mix of nominal, ordinal, interval and ratio data¹were collected through 25 questions which called for deployment of a variety of data analysis techniques like cross tabulation, graphical representation and statistical tools. The classification of these techniques is shown in Chart 1.

¹Data can be categorised as variable or attribute. Each of them have two levels of hierarchy, together they form four levels of data i.e. Nominal, Ordinal, Interval and Ratio. These four are sometimes also referred to as scales of measurement.

Data Analysis

Given below is the methodology and statistical tools adopted to analyse Q. 2, Q. 5, Q. 6 and Q. 11:

Q. 2 and Q. 6 have similar procedures of analysis. We first conducted a reliability test for these questions. The table given below is the Reliability Statistics table that provides the actual value for Cronbach's alpha. Cronbach's alpha is a very common measure of internal reliability. It is used as these questions are Likert questions that form a scale in the questionnaire and hence we have used Cronbach's alpha to determine if the scale used for this question is reliable. Then an impact ratings graph was developed for each variable, followed by use of descriptive statistics.

In Q.5 and Q. 11 we have tried to ascertain whether size of an organisation has any impact on the communication of brand message and criteria to prioritize projects and products. Since the ranking order was provided in these two questions, Kruskal Wallis analysis of variance for ranked data was used for the analysis. Q. 5 and Q. 11 have similar procedures of analysis. Initially the variables were analysed on the basis of their cumulative count to arrive at the most important, important and less important factors. Then we used Friedman test, which is a non-parametric test to test for differences between groups when the dependent variable being measured is ordinal. In the case of this question 64 respondents each rate different parameters. For each case the variables are ranked in order. This test is used to study whether any parameters are consistently ranked higher or lower than others.



**PARADIGM SHIFT IN MARKETING
– FINDINGS OF THE STUDY**



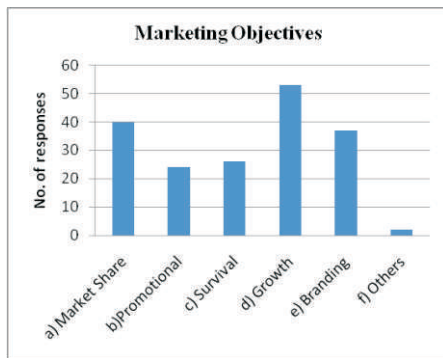
What are the marketing objectives of your company?



The responses to twenty-eight questions directed at 64 respondent companies throw light on prevailing marketing practices and revealed facts with respect to paradigm shift in marketing which can help to know the extent to which the actual practices in the respondent set of companies are/are not in alignment with the said paradigm shift in marketing as explored through our Research monograph published in February, 2013.

Q.1] What are the marketing objectives of your company?

Findings



A little more than half of the responses indicate that prime objective of marketing is to achieve ‘growth’ and ‘market-share’, both the responses cumulatively accounting for (51%) followed by ‘Branding’ (21%) instead of promotional or mere survival as their marketing objectives. This indicates that respondent firms in our study are growth oriented through their marketing instead of only increasing sales volume which

was thought to be sole aim of marketing in earlier times. Also through marketing function they aim to strengthen their market share and focus on brand building.

Theoretical Views...

According to the **Ansoff matrix** proposed by H. Igor Ansoff in his notable article ‘**Strategies for Diversification**’ (1957), the four product-market strategies for growth are Market penetration, Market development, Product development, and Diversification. Market Penetration Strategy is achieved by pushing its existing product in the current market through aggressive sales by either getting existing customers to buy more or seeking new customers. A company seeks new markets through new uses of its existing product (at times with minor

EXHIBIT I. PRODUCT-MARKET STRATEGIES FOR BUSINESS GROWTH ALTERNATIVES

MARKETS PRODUCT LINE	μ_0	μ_1	μ_2	μ_m
π_0	MARKET Penetration	MARKET	DEVELOPMENT	
π_1	PRODUCT DEVELOPMENT	DIVERSIFICATION		
π_2				
.....				
π_n				

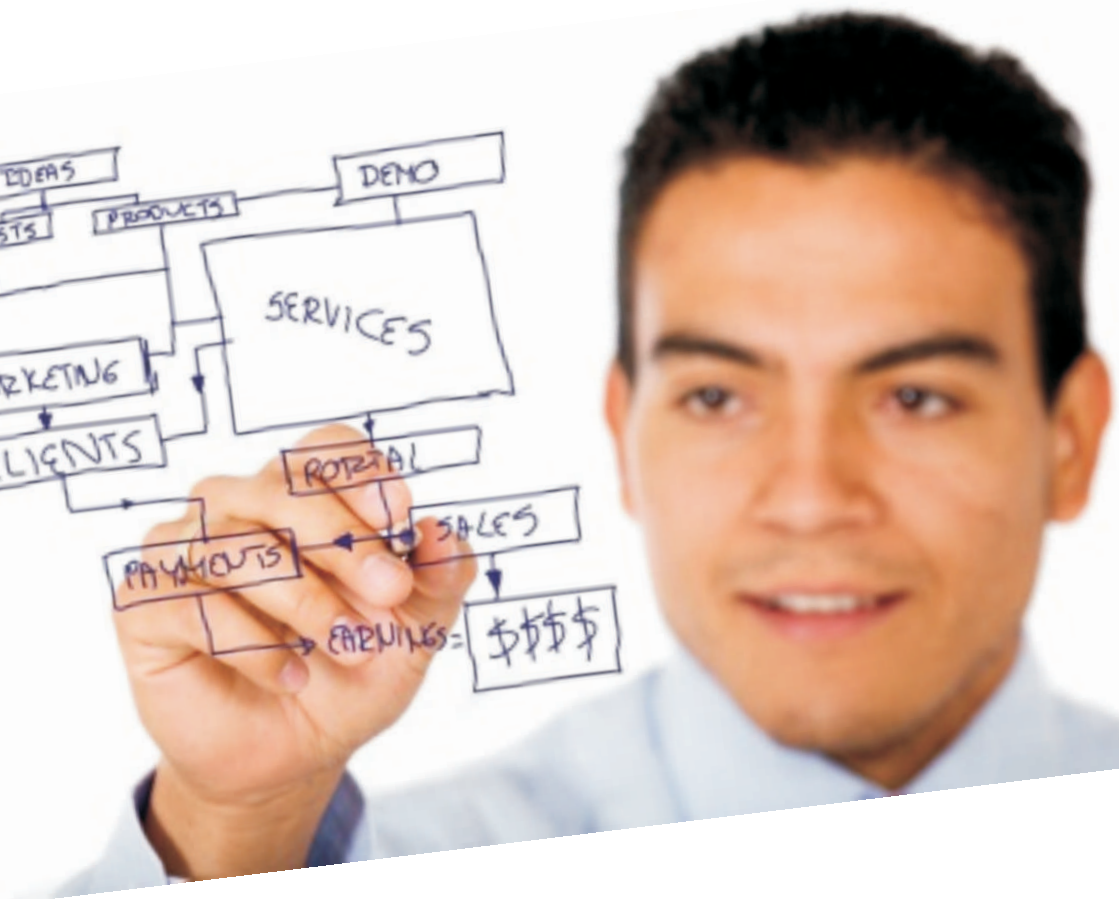
modifications) through the market development strategy. Product Development strategy for growth involves developing new products for the existing market. Through diversification strategy, a firm aims to grow the profitability by introducing an entirely new product line into new markets.

Research Evidence from Marketing 2020 study

'Marketing 2020 – Organizing for Growth', a study of 1,400 CMOs (Chief Marketing Officers) in nine countries is focused on identifying how marketing strategy, structure and capability can be aligned and organised to support business growth. The study has been conducted by Effective Brands, a global marketing consultancy in partnership with organisations like the WFA (World Federation of Advertisers) and ANA (Association of National Advertisers). The study shows that 58 % of senior marketers agree that marketing works closely with the chief executive to establish the company's strategic growth agenda, compared to 38 % in 2006. 33% respondents say that the marketing team approves large, growth oriented investment decisions (Arons and Driest, 2013).

INDUSTRY SPEAK... on various growth strategies

- 💡 *“We also continued to grow ahead of markets, backed by an intense focus on innovation and marketing initiatives, which aided higher consumption and penetration. We have invigorated our product portfolio with launches and relaunches of multiple products during the year.” -Adi Godrej, Chairman Godrej, Chairman's Speech 2012-13*
- 💡 *“Our products are available at less than a third of the FMCG outlets. The per capita consumption in India is at 14 a year (global average is at 94), so there is a big headroom for growth. Two-thirds don't have our product. So how do we make it affordable and available in these regions.” – Atul Singh, Deputy President-Pacific Group, Coca-Cola Company, (Ambwani and Thomas, 2013)*
- 💡 *“We have identified inorganic growth as a significant building block to create value for you over the long term... This acquisition (Paras Pharmaceutical Ltd.) will give Marico access to a portfolio of youth brands that shall fast-forward our journey towards creating a portfolio for the future. The portfolio addresses the grooming needs of the youth and is supported by India's demographic profile. The Company will also leverage its distribution strength in India to provide a fillip to the growth of the brands. The acquisition of this business is expected to further reduce our dependence on edible oils and hair oils.” - Harsh Mariawala, Chairman and MD, Marico, Chairman's Speech 2012-13*





Which of the following are the growth strategies of your company? Can you please rate them on the extent of impact?



**Q. 2 Which of the following are the growth strategies of your company?
Can you please rate them on the extent of impact?**

- A) Focus on advertising
- B) Building brands through marketing communications
- C) Adopting an integrated marketing mix
- D) Understanding prospective customers through segmentation and market research
- E) Bringing out products that suit specific needs of customers
- F) Creating / redefining markets to explore growth opportunities
- G) Focusing on the proper channel mix for distribution of product
- H) Continuously seeking growth opportunities through appropriate strategy framework
- I) Building a strong corporate brand through company performance, public relations and corporate communications

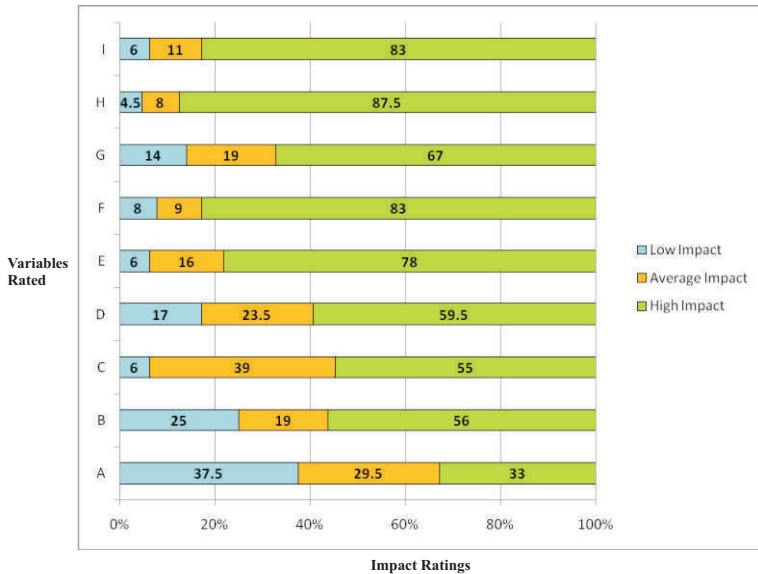
We first conducted a reliability test for this question. The table given below is the Reliability Statistics table that provides the actual value for Cronbach's alpha. Cronbach's alpha is a very common measure of internal reliability. It is used when there is a Likert question that forms a scale in the questionnaire and hence we have used Cronbach's alpha to determine if the scale used for this question is reliable.

Reliability Statistics	
Cronbach's Alpha	N of Items
.822	9

We can see that Cronbach's alpha is 0.822, which indicates a high level of internal consistency for our scale with our sample.

The graph below shows the impact ratings as a single bar for each variable. The x-axis indicates the impact rating and the y-axis indicates various variables that have been rated for impact on growth strategies. The section of the bar representing low ratings is blue. The high ratings section is green, while average ratings are in brown. The percentage of responses for each rating is given on that section of the bar. It can be seen that a large percentage of respondents (87.5%) have given high impact rating for 'Continuously seeking growth opportunities through appropriate strategy framework' and (83%) have given high impact rating for 'Creating / redefining markets to explore growth opportunities' and 'Building a strong corporate brand

through company performance, public relations and corporate communications'. 78% of the respondents have rated 'Bringing out products that suit specific needs of customers' as having high impact on growth.



Descriptive analysis includes mean and standard deviation, which are computed for all variables to obtain a general profile of the distribution of responses. In the table below the mean and standard deviation of all the variables are tabulated. Now let us look at the mean scores received by each variable:

	DESCRIPTIVE STATISTICS			
	N	Mean		Std. Deviation
	Statistic	Statistic	Std. Error	Statistic
A	64	3.05	.170	1.362
B	64	3.44	.166	1.332
C	64	3.67	.114	.909
D	64	3.58	.152	1.219
E	64	4.09	.117	.938
F	64	4.17	.113	.901
G	64	3.70	.139	1.108
H	64	4.19	.113	.906
I	64	4.20	.110	.876

The mean statistic score also reinforces the results we saw above, albeit with a small difference in ranking of importance. The table below lists the variables which have received a mean score more than 4.

Rank	Variable	Mean Score
1)	Building a strong corporate brand through company performance, public relations and corporate communications	4.2
2)	Continuously seeking growth opportunities through appropriate strategy framework	4.19
3)	Creating / redefining markets to explore growth opportunities	4.17
4)	Bringing out products that suit specific needs of customers	4.09

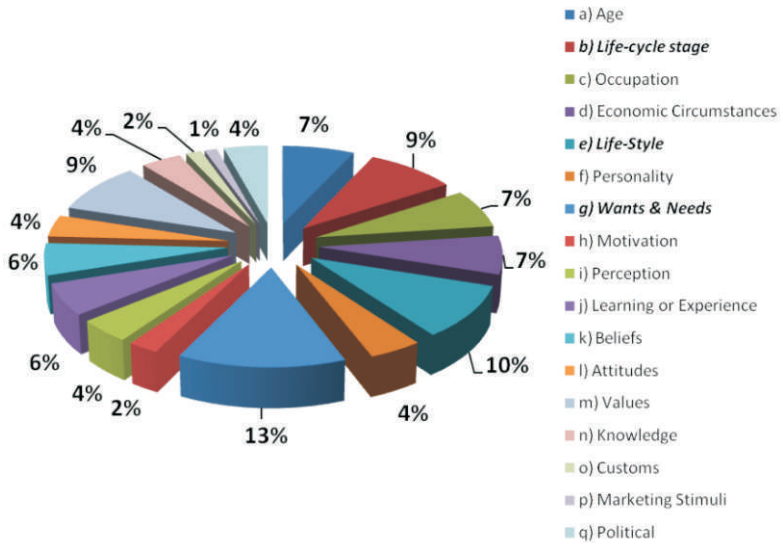


3

Which of the following factors influence customers to buy your products?

- a) Age
- b) Life-cycle stage
- c) Occupation
- d) Economic Circumstances
- e) Life-Style
- f) Personality
- g) Wants & Needs
- h) Motivation
- i) Perception
- j) Learning or Experience
- k) Beliefs
- l) Attitudes
- m) Values
- n) Knowledge
- o) Customs
- p) Marketing Stimuli
- q) Political

Q.3] Which of the following factors influence customers to buy your products?



Findings

As indicated in the above pie chart, 13% of the responses show that the “wants and needs” of customers is dominant from among all the factors which influence their customers to buy the products/services. Peter Drucker’s (1973) thought, “*The aim of marketing is to know and understand the customer so well that the product/service fits him (i.e. his needs and wants) and sells itself*” supports this finding.

Theoretical views

The two terms “need” and “want” often used interchangeably hold two different meanings. A need is a state of felt deprivation while a want is a desire for a specific satisfier. A need, like food or shelter, is something that is necessary for survival, whereas a want is simply something that a person would like to have.

Abraham Maslow’s hierarchy of needs theory (proposed by Abraham Maslow in his 1943 paper “A Theory of Human Motivation”) explains what motivates an individual to satisfy his psychological, safety and security, belongingness, self-esteem and self-actualization needs. Marketing is all about meeting needs and providing benefits to customers.

ABRAHAM MASLOW HIERARCHY OF NEEDS

Maslow, A. Motivation and
Personality (2nd ed.)
Harper & Row, 1970.



The second important factor influencing customers to buy the products/services as perceived by the respondent firms is- “Life-style” (10%) followed by “Life-cycle stages” (9%). This supports the *'Paradigm shift in Marketing from only female-oriented products towards male-oriented products'* as well as *paradigm shift towards expanding target-market* as marketers are targeting male consumers through new brands for the products which were earlier thought to be entirely for female usage like fairness crème category.

RESPONDENT COMPANY PRACTICES

- **Lodha Group:** A premiere real estate developer, through its various residential and commercial projects in Mumbai, Pune and Hyderabad has targeted customer segments with different wants and needs. With its projects like Lodha Grande, The Park, Lodha Splendora, Lodha Aqua, Lodha Aurum and Lodha Meridian it is targeting a wide range of wants and needs of customers.
- **3M:** 3M with its diverse portfolio of brands like 'Post it' in stationery, 'Dura Gloss' in car care, 'Scotch brite' in kitchen care etc. is satisfying different wants and needs of customers.
- **Spykar Lifestyle Pvt. Ltd.:** Spykar Lifestyle has kept track of how lifestyles of the youth have evolved and changed over the years. Hence it has come up with an interesting concept of combining clothing and hair styling where its customers will be provided a complete styling solution that even includes providing matching accessories and tattoos.
- **Reliance Insurance:** Offers products like Reliance Life Child Plan, Reliance Life traditional endowment plan and Reliance Life Health Insurance plan for consumers in different life-cycle stages.

INDUSTRY PRACTICES

Old Spice's 'Red Zone After Hours Body' Wash campaign - 'The Man Your Man Could Smell Like': The target audience are the female viewers, despite the product's usage is for male. The idea behind is that women frequently make purchasing decisions in respect of hygiene products even for male household members.

NFL games advertisements have started to target female viewers though football is predominantly played by males as more females watch these games than Academy awards in 2010.

[Learning from the NFL – Expanding Your Audience - Healthcare Marketing Agency on October 17th, 2011 in Business Branding, Marketing Plans]

India has an obsession for fair skin, thus market for fairness creams is very large. Many companies like Emami, Body Shop, HLL, Pond's, L'Oreal, Garnier, Neutrogena offer fairness products which satisfy psychological and social needs of women. Now these companies have come up with separate brands targeting male population which has been using female brands thus targeting their self-esteem needs.

INDUSTRY SPEAK...

💡 *“As the world changes, consumers are also changing. There is an emerging poor in the developed world and an emerging affluent in the developing world. The way people shop and consume is also changing. More than ever, **businesses must have an insight into the changing needs and aspirations of their consumers to be successful.** Unilever has long embedded a **culture of putting consumers at the heart of our business.** Employees across the business are encouraged to constantly **engage with consumers** and customers to understand their needs and preferences. This **consumer centricity** has allowed us to build new markets and categories. A similar approach of consumer centricity is allowing us to lead the development of categories of tomorrow like hair conditioners, deodorants and packaged foods.”*

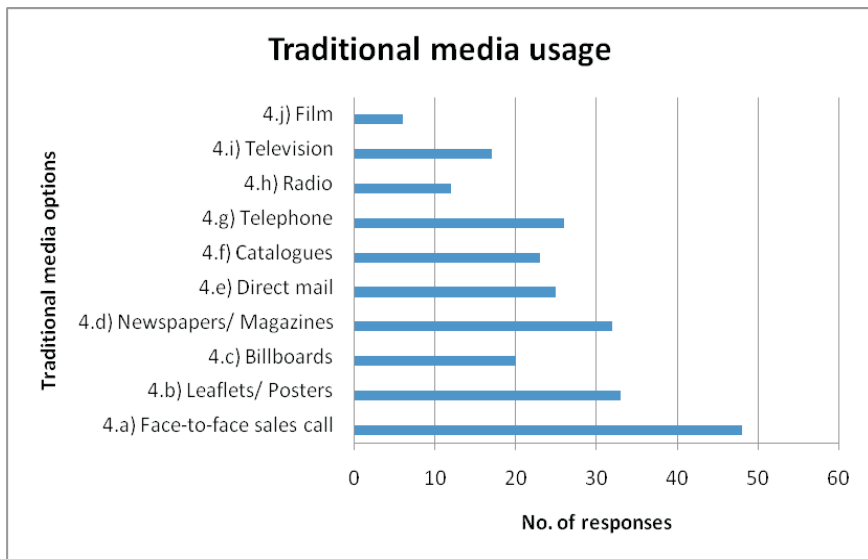
- Harish Manwani, Chairman HUL (AGM, 26 July 2013)



“The purpose of business is to create customers.”
- Philip Kotler
Which promotion tools and media do you use
to create customers?



**Q.4] “The purpose of business is to create customers.”- Philip Kotler
Which promotion tools and media do you use to create customers?**



Findings

Responding towards the question on the promotion tools used to create customers, among traditional methods, 20% of the responses focused on usage of 'face to face sales call' i.e. Personal Selling, which is considered as most effective tool at later stage of the buying process, particularly in building up buyer preference, conviction and action (according to Lavidge and Steiner model, 1961). Findings strongly support the '*Paradigm Shift in marketing from Product selling to Consultative selling*' which involves face-to-face sales call. 14% of the responses show use of leaflets or posters while 13% of the responses show preference for newspapers or magazines which shows that among traditional media, print media is still predominant.

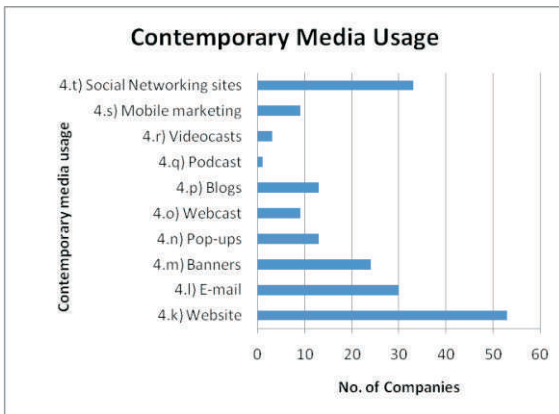
Face-to-Face

Involves a set of activities directed at the attainment of marketing goals by establishing and maintaining direct buyer-seller relationships through personal communication. Face-to-Face meeting generates a personal connection and builds belief between a company and its target audience. An affectionate handshake, winning conversation and knowing customers and prospects on a personal level can act as an important part in shaping meaningful, robust and profitable business relationships. Apart from

introducing the company to the customers, personal sales representatives also bring in vital information from customers back into the company helping the company to improve the products and services. In spite of the presence of social platforms like email, instant messaging, LinkedIn, Twitter, enabling virtual communication, the need for face-to-face conversation has maintained its importance. This drives an important point that the age old method of face-to-face marketing and the new age method of virtual marketing such as webinars, virtual events, and social networking, are equally essential to the communication strategy of a company.

Research Evidence

The above mentioned paradigm shift was evident in a research paper titled *'From Marketing-mix to Relationship marketing-towards a paradigm shift'* (Gronroos, 2005), which concludes that while the product-centric approach of marketing still prevails, in practice the focus of marketers is moving towards relationship marketing through personal selling and sales person interacting face to face with prospective customers to understand and satisfy their needs.



“
 In today's information age of Marketing and Web 2.0, a company's website is the **key to their entire business.**”
 MARCUS SHERIDAN
 AUTHOR OF THE SALES LION BLOG
 MARKETING SPEAKER

Findings

Among the contemporary media, 28% of the responses show the usage of 'website' as a source to create customers. This indicates that companies treat their website as a prime interface in the process of customer creation; key drivers being illustrative and exhaustive content and accessibility.

Second preferred medium is 'Social networking sites' as shown by 17% of the responses to create customers. Companies which want to gain customers online need to have not only a professional modern corporate website but also an active social media presence.

As far as social-networking sites are concerned, the corporate message spreads from user to user and presumably resonates with users because it appears to come from a trusted, third-party source, as opposed to the brand or company itself. Hence, this form of marketing is driven by word-of-mouth, i.e. it results in earned media rather than paid media. Social networking websites allow individuals to interact with one another and build relationships.

comScore says...

India is the fastest growing online market with a 41% rise in user-base which is much higher than China, Brazil and Russia. With this changing statistics, the digital consumer has become an important constituency for marketers as India's Internet penetration has been estimated as 10% with around 125 million users going online in July 2012 (BusinessWorld Marketing Whitebook, 2013).

As per recent comScore survey figures, social-networking is a growing arena in India's online world with Google and Facebook on top position of growth charts with 59.7 and 52.1 million users respectively. Facebook has risen 47% in terms of unique visitors in the 12-month survey period. Online video is growing at 12% (much slower than the growth of Internet users in India). The video landscape is heavily dominated by YouTube, which has considerable growth (~24 %). Traditional advertisers (favouring TV) have already started embracing the YouTube platform - with innovations via the Mast Head (prime inventory on YouTube's home page) and First Watch.

Media/Measures	May-2012	May-2013	Growth	Category Growth
Total Internet Audience	59,400	76,053	28.04%	NA
YOUTUBE.COM	32,850	40,707	23.92%	12.12%
Jivox Video Network	36,512	38,208	4.64%	
Vdopia Network India	20,808	22,182	6.60%	

Source: Marathe M. (2013)

InMobi Study-2013 says... (Indiantelevision.com, 2013)

A recent study (of the Mobile Media Consumption Report) by Bangalore based independent mobile advertising network 'InMobi' claims that Indians prefer mobile phones over Television! It covered 2004 respondents nationally. According to the InMobi study, dual or second screening, the phenomenon of users spending time on additional electronic devices while watching TV, continues its upsurge. This implies that the number of hours a consumer spends on mobile phone is rising rapidly and is also invading his TV viewing space. *Some of the key findings of this study are:*

- 63 per cent of users now actively spend time on a mobile device while watching TV, compared to 26 per cent in 2012.
- 57 per cent users engage in social networking while watching TV.
- 79 per cent of Indian mobile web users plan to conduct m-commerce in the next 12 months.
- 65 per cent of Indian mobile web users are now as comfortable with mobile advertising as they are with TV or online advertising.
- Mobile TV is booming in India with 50 million mobile Internet subscribers and approximately 30 million smartphones.

"It's because of this fundamental shift towards user-generated information that people will listen more to other people than to traditional sources."
- Eric Schmidt, ex-CEO Google

Why use Social Media?
Marketing is no longer about the stuff that you make, but about the stories you tell.
- Seth Godin
www.brightbiz.com.au

Findings supports *Paradigm Shift from product-centric to customer centric marketing, Paradigm shift from operating only in physical market-place to operating in Cyberspace/ Virtual market-place as well as Paradigm Shift in Advertising from Conventional Media to Non-Conventional like websites.*

Once a marketplace, has now become a marketspace. "The marketspace has warranted the companies to reassess the way they consider value creation measurements. The value matrix has shifted from brick and mortar to click and go, from company infrastructure, personnel management, technology management, procurement to information gathering, selection, dissemination and systemization, offering a common value matrix suitable for the marketspace." (Rayport and Sviokla 1995).

INDUSTRY PRACTICES

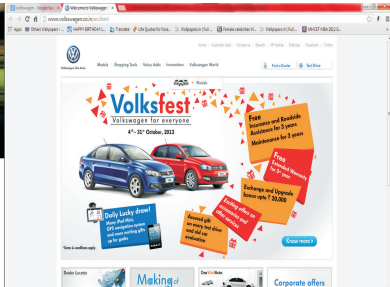
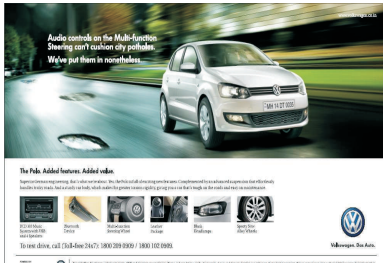
Parle Agro: Marketers now 'talk with' customers, the way Parle Agro had launched Twitter campaign to track its new snack food brand Hippo's retail inventory. Customers were asked to tweet whenever they found Hippo out of stock, with a promise to replenish stocks. Parle received tweets from 25 cities and sales increased significantly subsequent to the campaign.

E-zone: Future group owned company Ezone uses networking sites to follow consumer reactions, complaints and trends.

Mary Kay Cosmetics: Its products are not available in a retail store though these products are available to be bought online, the company still adopts a face to face selling method either on a one-to-one or in a party where sellers meet buyers.

RESPONDENT COMPANY PRACTICES

Volkswagen: Print advertisement and website communication for Volkswagen Polo.



INDUSTRY SPEAK



"The objective behind this campaign is to create buzz and positive word-of-mouth about 7Up among the youth in Andhra Pradesh. We have opted for AP, because it is an important market. About 25 percent of the country's lemon-based drinks sales come from here. We have figured out that dancing and Allu Arjun are popular among the youth in AP. Thus, we have zeroed in on dancing and the Tollywood star for the campaign. Augmented reality has been opted for; as we want to carry out a disruptive initiative, which will create interest, and thus, engage users with the brand. We will consider unique visitors on the 7Up website, time spent by users and the level of engagement, to judge the effectiveness of the ARvertising campaign. Based on the success of the campaign in AP, it may be extended to other states too."

- Alpana Titus, Executive Vice-President, Flavours, Pepsi Co India (Ohri, 2010)

CONTRARIAN VIEW

Although face-to-face communication has long been the trusted mode of contact, it also has a number of disadvantages. A direct interaction by a sales person with a face-to-face contact with clients is impractical for certain organizations, as business trips are too costly (Rosen et al., 2007, Storper & Venables, 2004). Adding to that cost are high sales commissions. Moreover sales people lack patience to maintain long term relationships instead of focusing on Customer Life Cycle value, which is prediction of net profit from a customer, forecasting future business relationship.

Similarly Virtual communication or technology enabled communication has numerous disadvantages. Instead of making it possible to the organization in terms of cost, diversity, recruitment, and access to expertise, technological problems take away time required for training to function effectively. (Bergiel et al., 2008; Bower et al., 2001; Powell, Piccoli, & Ives, 2004)

There are explicit benefits that a knowledgeable marketer would derive out of an integrated communications plan. Face-to-face communication will facilitate a strong bonding leading to long drawn relationship whereas virtual communication will enable a marketer to be constantly in touch with prospects and customers.

A new regulation from Telecom Regulatory Authority of India (TRAI) has put limits on TV advertising to 12 minutes per hour from October 1. The squeeze has already begun. From June 1, all channels have been asked to limit advertising to 30 minutes per hour. From next month, it will drop to 16 minutes for all channels except for those in news who will be permitted 20 minutes of ads. It finally drops to 12 minutes per hour for everyone on October 1 (Srivastava, 2013)



Product

Profit

Business

Team

Technology

Work

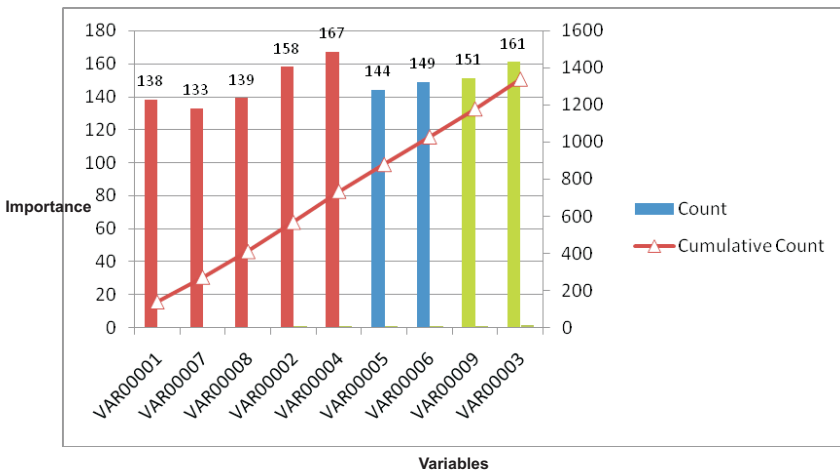
5

Which are the different modes that have been adopted by your company to deliver the brand message in an effective and efficient manner? Can you please rate them on extent of impact?



Q.5. Which are the different modes that have been adopted by your company to deliver the brand message in an effective and efficient manner? Can you please rate the following parameters them on extent of impact?

Parameter		Count	Cumulative Count	Cumulative %		
Advertising in electronic and print media	VAR 1	138	138	10%	A	Most Important
Clarifying and living the company's basic values and building the corporate brand.	VAR 7	133	271	20%		
Developing a brand building plan to create positive customer experience at every customer contact point, person -to-person contact, events, seminars, telephone, e -mail.	VAR 8	139	410	31%		
Making use of multiple media, including internet e -mail, fax, telemarketers, In -store advertising etc.	VAR 2	158	568	42%		
Making use of tools like PR, sponsorships, events, social causes, and getting media to talk about the brand	VAR 4	167	735	55%		
Penetrating traits of the brand through all of the company's marketing activities	VAR 5	144	879	66%	B	Important
Stressing on long term relationships with the customers and creating brand loyalty	VAR 6	149	1028	77%		
Using the brand value proposition as the key driver of your Company's strategy, product development operations and services	VAR 9	151	1179	88%	C	Less Important
Working with the media Department of Advertising Agency to define reach, frequency and impact of the Advertisement Campaign	VAR 3	161	1340	100%		
		1340				



Null Hypothesis: There is no significant difference in the impact of various modes adopted by company to deliver the brand message.

Alternate Hypothesis: There is a significant difference in the impact of various modes adopted by company to deliver the brand message.

Descriptive analysis includes mean and standard deviation, which are computed for all variables to obtain a general profile of the distribution of responses. In the table below the mean and standard deviation of all the variables are tabulated,

The table below shows the mean scores received for each variable. Based on this, we can see that 'Making use of tools like PR, sponsorships, events, social causes, and getting media to talk about the brand' has received the highest mean score of 4.28, followed by 'Working with the media Department of Advertising Agency to define reach, frequency and impact of the Advertisement Campaign' with mean score of 4.13, followed by 'Making use of multiple media, including internet e-mail, fax, telemarketers, In-store advertising etc.' with a mean score of 4.05.

We will use the Friedman's Test to test the significance of the responses seen in the table below

PARAMETER	Descriptive Statistics					
		N	Mean	Std. Deviation	Min.	Max.
Advertising in electronic and print media	VAR 1	39	3.54	2.790	1	9
Making use of multiple media, including internet e-mail, fax, telemarketers, In-store advertising etc.	VAR 2	39	4.05	2.615	1	8
Working with the media Department of Advertising Agency to define reach, frequency and impact of the Advertisement Campaign	VAR 3	39	4.13	2.736	1	9
Making use of tools like PR, sponsorships, events, social causes, and getting media to talk about the brand	VAR 4	39	4.28	2.492	1	9
Penetrating traits of the brand through all of the company's marketing activities	VAR 5	39	3.69	2.190	1	8
Stressing on long term relationships with the customers and creating brand loyalty	VAR 6	39	3.82	2.674	1	9
Clarifying and living the company's basic values and building the corporate brand.	VAR 7	39	3.41	2.468	1	9
Developing a brand building plan to create positive customer experience at every customer contact point, person-to-person contact, events, seminars, telephone, e-mail.	VAR 8	39	3.56	2.532	1	9
Using the brand value proposition as the key driver of your Company's strategy, product development operations and services	VAR 9	39	3.87	2.536	1	9

The Friedman test is a non-parametric test used to test for differences between groups when the dependent variable being measured is ordinal. In the case of this question 64 respondents each rate 9 different parameters. For each case the 9 variables are ranked from 1 to 9. This test can be used to study whether any parameters are consistently ranked higher or lower than others.

The Ranks table shows the mean rank for each of the parameters, as shown below:

Friedman Test	
Ranks	
	Mean Rank
VAR00001	4.64
VAR00002	5.42
VAR00003	5.40
VAR00004	5.42
VAR00005	4.78
VAR00006	5.12
VAR00007	4.51
VAR00008	4.58
VAR00009	5.13

The Friedman test compares the mean ranks between the related groups and indicates how the groups differed, and it is included for this reason. Hence we have reported the median value for each parameter. Purely on the basis of this table the following parameters have received the highest mean rank: 'Making use of tools like PR, sponsorships, events, social causes, and getting media to talk about the brand', 'Working with the media Department of Advertising Agency to define reach, frequency and impact of the Advertisement Campaign' and 'Making use of multiple media, including internet e-mail, fax, telemarketers, In-store advertising etc'. This is similar to what we saw earlier.

The Test Statistics table given below informs the actual result of the Friedman test, and whether there was an overall statistically significant difference between the mean ranks of our parameters.

Test Statistics	
N	39
Chi-Square	6.413
Df	8
Asymp. Sig.	.601
a. Friedman Test	

On the basis of the above table, we accept the null hypothesis. There is no significant difference in the impact of various modes adopted by company to deliver the brand message. $\chi^2(2) = 6.413, p = 0.601$



Shabana Panikar

Q

**Which are the different methods of promotional mix strategies adopted by your company?
Can you please rate them?**



Spend Rs.2500 or more, and win an all-expenses-paid Goa vacation. One every week!

11 Jan - 9 Feb

Q. 6) Which are the different methods of promotional mix strategies adopted by your company? Can you please rate them?

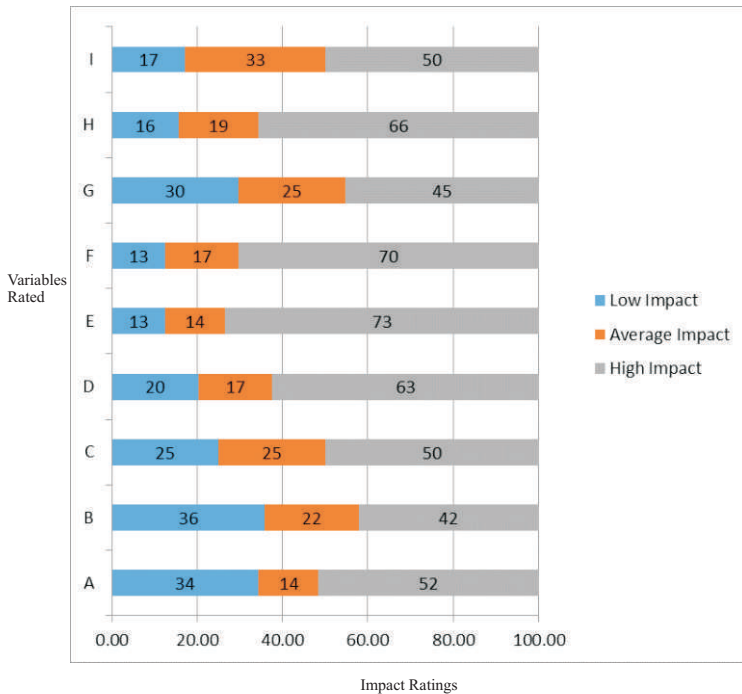
Parameter	Low				High
	1	2	3	4	
a) Advertising in electronic and print media	1	2	3	4	5
b) Advertising campaign	1	2	3	4	5
c) PR and publicity	1	2	3	4	5
d) Personal selling	1	2	3	4	5
e) Sales promotion	1	2	3	4	5
f) Direct marketing	1	2	3	4	5
g) Tele marketing	1	2	3	4	5
h) Word of mouth	1	2	3	4	5
i). Combination of all of them	1	2	3	4	5

We first conducted a reliability test for this question. The table given below is the Reliability Statistics table that provides the actual value for Cronbach's alpha. Cronbach's alpha is a very common measure of internal reliability. It is used when there is a Likert question that forms a scale in the questionnaire and hence we have used Cronbach's alpha to determine if the scale used for this question is reliable.

Reliability Statistics	
Cronbach's Alpha	N of Items
.716	9

We can see that Cronbach's alpha is 0.716, which indicates a high level of internal consistency for our scale with our sample.

Parameter		Low Impact	Average Impact	High Impact	Total
VAR00001	A	34.375	14.0625	51.5625	100
VAR00002	B	35.9375	21.875	42.1875	100
VAR00003	C	25	25	50	100
VAR00004	D	20.3125	17.1875	62.5	100
VAR00005	E	12.5	14.0625	73.4375	100
VAR00006	F	12.5	17.1875	70.3125	100
VAR00007	G	29.6875	25	45.3125	100
VAR00008	H	15.625	18.75	65.625	100
VAR00009	I	17.1875	32.8125	50	100



This shows the impact ratings as a single bar for each variable. The x-axis indicates the impact rating and the y-axis indicates various variables that have been rated for their impact. The section of the bar representing low ratings is blue. The high ratings section is green, while average ratings are in brown. The percentage of responses for each rating is given on that section of the bar. It can be seen that a large percentage of respondents (73%) have given high impact rating for 'Sales promotion' and (70%) have given high impact rating for 'Direct Marketing'. 66% of the respondents have rated 'Word of Mouth' while 63% have rated 'Personal Selling' as having high impact.

Descriptive analysis includes mean and standard deviation, which are computed for all variables to obtain a general profile of the distribution of responses. In the table below the mean and standard deviation of all the variables are tabulated. Now let us look at the mean scores received by each variable:

Descriptive Statistics			
	N	Mean	Std. Deviation
	Statistic	Statistic	Statistic
VAR0000 1	64	3.23	1.434
VAR0000 2	64	3.02	1.374
VAR0000 3	64	3.20	1.275
VAR0000 4	64	3.69	1.355
VAR0000 5	64	3.91	1.109
VAR0000 6	64	3.83	1.176
VAR0000 7	64	3.08	1.395
VAR0000 8	64	3.66	1.237
VAR0000 9	64	3.36	1.226
Valid N (listwise)	64		

The mean statistic score also reinforces the results we saw above, albeit with a small difference in ranking of importance. The table below lists the variables which have received a mean score more than 3.5.

Rank	Variable	Mean Score
1)	Sales Promotion	3.91
2)	Direct Marketing	3.83
3)	Personal Selling	3.69
4)	Word of Mouth	3.66





7

How do you measure and monitor marketing process?



Q.7. How do you measure and monitor marketing process?



Findings

Marketing Control is a set of practices and procedures employed by firms to monitor and regulate their marketing activities in achieving their marketing objectives. To examine whether the planned results are achieved, companies focus on sales and market share analysis to judge a company's marketing performance.

The overall success of a product or a service entirely depends upon the marketing strategy. The implementation of a strategy requires appropriate controls to be established to get effective results at the same time highlight areas where change is required.

The study reveals that the respondents deploy 'Sales Analysis' (30%) and 'Market-share analysis' (23%) to measure and monitor marketing control process. Sales analysis comprises of gathering, classifying, comparing and studying sales data. Sales information system uses statistical procedures to generate reports. Technology enables companies to trace sales variance - the variation from the target — which depicts the current picture. A detailed (micro-analysis) examination of individual products, inventory stocks, sales force performance, sales territories, customers is done to know about the shortage in meeting the target.

Importance given to sales is justified from Michael Dell's remark in an interview to Harvard Business Review, *“The biggest change from business as usual is changing the focus from how much inventory there is to how fast it's moving.”* (Magretta J., 1998)

To get the optimum out of a marketing plan, proper monitoring controls viz. Customer feedback, target market sales, budgets and market share need to be in place. These control techniques may include continuous research and also keeping an eye on promotion and pricing. As the plan moves ahead constant analysis will give feedback and prompt for any changes that are required.

Types of Marketing Control

Type of Control	Prime Responsibility	Purpose of Control	Approach
I. Annual-plan control	Top management; middle management	<ul style="list-style-type: none"> • To examine whether the planned results are being achieved 	<ul style="list-style-type: none"> • Sales analysis • Market-share analysis • Sales-to-expense ratios • Financial analysis • Market-based scorecard analysis
I I. Profitability control	Marketing controller	<ul style="list-style-type: none"> • To examine where the company is making and losing money • To evaluate and improve the spending 	Profitability by: <ul style="list-style-type: none"> • Product • Territory • Customer • Segment • Trade channel • Order size
III. Efficiency control	Line and staff management; marketing controller	<ul style="list-style-type: none"> • Efficiency and impact of marketing expenditures 	Efficiency of: <ul style="list-style-type: none"> • Sales force • Advertising • Sales promotion • Distribution
IV. Strategic control	Top management; marketing auditor	<ul style="list-style-type: none"> • To examine whether the company is pursuing its best opportunities with respect to markets, products, and channels 	<ul style="list-style-type: none"> • Marketing effectiveness rating instrument • Marketing audit • Marketing excellence review • Company ethical and social responsibility review

Source: Kotler (2003), Marketing Insights from A to Z: 80 Concepts Every Manager Needs to know, New Jersey: John Wiley & Sons

RESPONDENT COMPANY PRACTICES

- **Monginis Food Pvt. Ltd.** uses sales analysis for sales forecast & to understand daily distribution pattern of fresh bakery products.
- **Fortis Hospitals:** Sales analysis helps Fortis Hospitals to explore opportunities in healthcare & to focus on areas that generate revenues like diagnostics and surgeries.
- **Volkswagen:** to analyze the market and find out profitable product lines and generate region wise, area wise, geography wise reports.
- **SMG Convonix and Swan Solutions and Service Pvt. Ltd.:** to see the profitability of the customers and hence decide on prioritising project.

INDUSTRY PRACTICES

Micromax opts for sales analysis via which Micromax will come to know which are the key performance indicators, whether its value, quality or after sales service

AO Smith: North America's largest manufacturer of water heaters that consistently innovates, implements sales analysis to understand Indian market assessing risks, opportunities and competitive activities

General Motors: like Volkswagen GM also uses sales analysis to generate reports.

INDUSTRY PRACTICES

For example looking at the big picture of auto industry in India in July 2013

- This period of the year has always been a slow seller in the past for the Indian automobile industry and July 2013 has been no different.-
- Industry recorded fall in sales of 5.61% over the last month and 8.11% fall in sales as compared to same month of the last year.
- Except few companies with their brilliant recent product launches like Ford, Honda and Renault, everyone else has struggled to sell their cars.
- The rise in YoY sales figure of Maruti Suzuki this time is quite misleading because the company was facing trouble with their workers at Manesar plant same period last year and hence sales figure was hampered. Considering that, today's sales figure actually has negative sentiments hidden inside it contradicting with the positive superficial value.
- There has been Tom and Jerry run going on for the 4th, 5th and 6th spot in the past few months between Toyota, Honda and Tata Motors. This month Toyota managed to clinch the 4th place which is very closely being chased by Honda and Tata Motors.
- As usual Maruti Suzuki tops the chart followed by Hyundai at second place and Mahindra & Mahindra at number 3.

(MotorBeam.com, 2013)

[Compiled from:<http://www.motorbeam.com/sales-figures/july-2013-car-sales-figures-analysis/#cX8qCJbjkyJ8898H.99>]

INDUSTRY SPEAK

☛ *“Research indicates that today there's more front seat driving in luxury cars. Even Mercedes is more of an owner's car today, not so much a backseat, chauffeur-driven car. We find a lot of owners bringing their cars to our after sales outlets, indicating that a lot of our consumers are driving their cars themselves. We have used this insight and changed our service reception. Our staff is now trained in behaviour skills and etiquette.”*

- Santosh Iyer, Marketing Head, Mercedes (Gangal A., 2013)



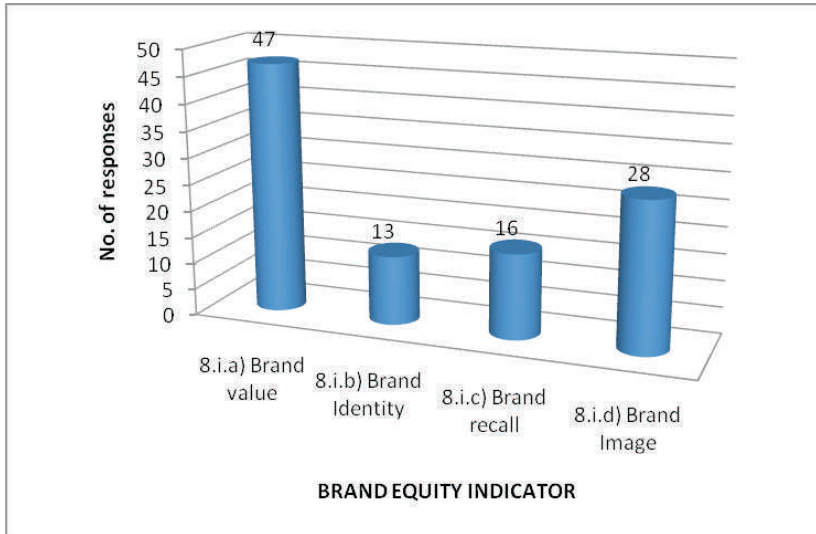




- (i) What is the most appropriate indicator of brand equity?**
- (ii) Which is the most important factor to ensure brand management of the product?**
- (iii) Which among customer loyalty, customer satisfaction, and customer feed-back indicates that the brand is being managed well?**
- (iv) Through which parameter do you convey your brand's online presence?**
- (v) Have you revitalized your brand based on following: Logo, Celebrity Endorsement, Packaging, Delivery, Brand Extension?**
- (vi) Organisations frequently follow brand extension strategies. How do you as an organisation reinforce the need for evaluating the success and acceptability of brand extensions?**



Q.8. (i) What is the most appropriate indicator of brand equity?



Findings and Analysis

Responding to the next question, majority (45%) of respondent firms felt 'brand value' as the most appropriate indicator of brand equity, followed by 'brand image' (27%). The finding supports paradigm shift in branding from owning assets to owning brands.

People are willing to pay more for a 'brand' than a 'product'. Brand value is the extra money a company can make from its products solely because of its brand name. As defined by Brandirectory.com, “Brand value is the net present value of future cash flows from a branded product minus the net present value of future cash flows from a similar unbranded product—or, in simpler terms, what the brand is worth to management and shareholders.”

Millward Brown, a market-research firm says...

According to Millward Brown – a market research company's annual ranking of the world's "most powerful" brands based on consumers' perceptions and the performance of the companies that own them, shows that the top 100 are collectively worth \$2.6 trillion.



RESPONDENT COMPANY PRACTICES

- **Volkswagen:** Brand value stands for 9252m\$ USD; the company comes into 25 in Forbes list of biggest corporations
- **Yes Bank:** Due to its 'Employee Value Proposition', Yes Bank has created a high brand value.
- **Raymonds:** Dignity & Trust have always been source of brand value for Raymonds.
- **More (Aditya Birla Retail):** Through its 500+ outlets, "More" has created brand value of extensive reach.

INDUSTRY SPEAK

- 💡 *"He ensured that the core identity of brand Amul was value for money - highest quality at the most reasonable prices."*
- Vipulbhai Chaudhary, Chairman GCMF (Amul), Chairman's Speech , 39th Annual General Body Meeting held on 25th June, 2013**

INDUSTRY PRACTICES

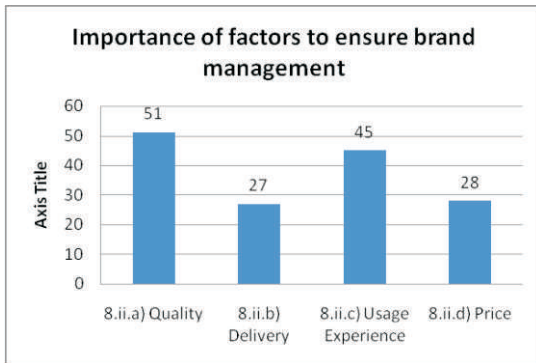
- **American Express:** A culture of service is created by American Express that creates a perceived brand value that a consumer is ready to pay more as annual fees to use the card.
- **National brands** that are circulated throughout the country like Amul Butter, Britannia, Colgate, Lux, Tata, Horlicks, Dettol, Reliance, Ponds, BSNL, Parle, Bisleri, Dabur, Bournvita, Titan, Surf, Asian Paints, Parachute, Amrutanjan, Bajaj, VIP and many more are considered to be of better quality and can often demand higher prices versus regional or private brands from consumers.
According to Millward Brown – a market research company's annual ranking of the world's "most powerful" brands based on consumers' perceptions and the performance of the companies:
- **Apple:** remains the world's most valuable brand, worth \$185 billion, at the head of a trio of technology companies. Microsoft, which tried to be startling by launching a radical new operating system, has seen its brand value fall.
- **Samsung:** Samsung jumped 25 places, partly by out-innovating Apple and partly by boosting its advertising expenditure by \$1.6 billion.
- **Visa** was one of the main brand sponsors for the 2012 Olympic games in London. Luxury goods companies groom their brands even more carefully than most.
- **Gucci's** brand value increased by almost 50%, has invested in technology to support its online and mobile presence.
- **Prada:** The biggest riser this year, though, is Prada, whose brand value surged 63% as it boosted sales in both old markets and new.

Contrarian view

If the parent brand has a strong and distinct image in the market, having a different positioning statement for a brand extension might not work. Even a specific statement may not work with a brand positioning that has an image in the market.

For example Dettol toilet soap when initially positioned as a beauty soap did not work, as the main brand Dettol is associated with healing cuts and wounds. The extension to “beauty” positioning was not with the parent's “germ-kill” positioning. Hence its had to be repositioned as a germ-killer after which it performed well in the market. The image mismatch was rectified.

Q.8 (ii) Which is the most important factor to ensure brand management of the product?



Findings

34% of the total responses indicate 'Quality' as the most important factor to ensure brand management of their product, followed by 30% of responses showing 'Usage Experience' as an important factor to ensure brand management.

Peter Drucker rightly quotes that, 'quality in a product or service is not what the supplier puts in. It is what the customer gets out and is willing to pay for. A product is not quality because it is hard to make and costs a lot of money, as manufacturers typically believe. This is incompetence. Customers pay only for what is of use to them and gives them value. Nothing else constitutes quality.' This is highly concurrent to the view of majority of respondents stating usage experience close to quality parameter to manage their brand.

Quality as a factor for Brand Management – As mentioned earlier quality is a tangible element of brand management. It is an important factor that drives return on investment that impacts market share and marketing expenses. Perception about a product's quality helps in profitability of a product. Improving a perceived quality will improve the ROI.

Usage experience as factor for Brand Management – A product is experienced by a customer in number of ways such as – packaging, price, sales person, marketing information etc. These are the touch points along with others like support, monthly statements, product manual etc. All this experience creates a satisfaction driving the brand promise.

Good relationship via effective communication is at the heart of brand management. It comprises of tangible elements such as the appearance of the product, its quality, packaging, price – in short the whole product itself and intangible elements like the experience drawn by the consumer and the affinity s/he enjoys with the brand. This helps in strategizing positioning of the brand, a target market and target population.

Research Evidence

In the research paper titled '*Frontiers of the marketing paradigm in the third millennium*' (2011) by Ravi S. Achrol and Philip Kotler, authors say that if there is a new concept in the digital age of information, Knowledge products and the service economy, it is that of consumer experiences. What people desire are not products but satisfying experiences.

A customer experience must be created by giving the customers reasons to believe. For example BMW car owners believe in the driving experience the car gives them after purchase.

Identification of customer touch points for example walking through the commercial processes – such as how customer demand is generated, how are products sold, how do customers use the products, how after-sales support is provided - the trace of the marketing, selling, and servicing processes allows to create a simple touch point map that defines customers' experiences with the brand.

As all touch points are not equal, it is important to identify the most influential touch points. For example in case ice-creams like Amul or Baskin Robins the taste is typically more important than package design thus playing a larger role in determining company's overall customer experience.

RESPONDENT COMPANY PRACTICES

- **Volkswagen:** Quality is emphasized by focusing on innovations through performance, comfort, safety and MQB.
- **Yes Bank:** Focus on quality through high standard of service and high savings account interest rates.
- **Raymonds:** The Raymond Corporation Quality Policy as well as being ISO 9001:14001 registered company ensures quality parameter for Raymonds.
- **More (Aditya Birla Retail):** More provides customers a wide choice of products under its own labels. The objective is to provide quality products at attractive price points to customers. Since quality of the products is of prime importance, stringent quality norms have been set and are followed. All manufacturing partners are the best in their class.

INDUSTRY SPEAK

☞ *“People own and use well designed products to relish their beauty, and thereby to feel elevated themselves. Effective marketing of outstanding design can therefore be built around capturing this distinctive mood of human elevation that the product evokes. If the brand can also speak about how specific elements of the design lead to such magic in consumers' minds, that would be a very powerful draw. For instance, a brand of bottled water could well speak about how the bottle's design has been inspired by a mountain range or by the patterns of flowing water in a stream. Each time the consumer picked up this bottle, he or she would then not merely be drinking water, but would also be instantly transported to these beautiful surroundings, leading to a touch of elevation in their own minds. This process of self-elevation is propelled by emotions and desires, hence marketers who want to tread this path have to stoke these fires very well.” –*

Harish Bhat, Managing Director and CEO, Tata Global Beverages Ltd., Bhat H. (2013)

INDUSTRY PRACTICES

Wal-Mart : They focus on price as low as price can be; their retail stores are incredibly basic.

Visa: It's not about experience it's about the comfort and convenience that a customer experiences. Visa is accepted everywhere.

Harley-Davidson brand experience: The rallies organised by the company has strengthened the relationship between the company, its employees and resellers giving a feel of one big family (Schinwald, 2005).

LEGO: The company has taken care in striking a balance between building experience and customer playing experience thus building the product for all ages (Diaz, 2008).

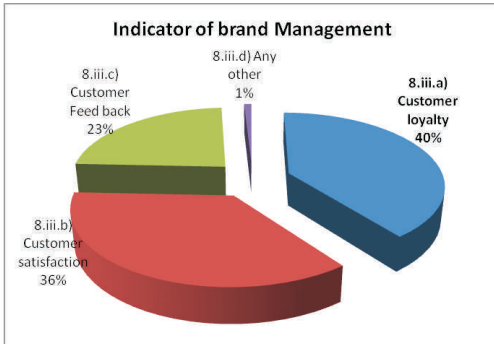
Victoria's Secret: Consumers use brands advertised with appealing personalities to signal their positive qualities, thereby enhancing self-perceptions in line with the brand's personality. This implicates implicit self-theories as a key factor in understanding how brand experiences affect consumers.

iPod: From Apple, a portable media player, where simplicity is the ultimate satisfaction.

Hallmark: Sincerely delivers a feeling of happiness, romance or nostalgia through its products.

Levi's : Delivers a 'rugged' feeling of Wild West as well the 'body hugging' experience through its fit and texture.

Q.8.(iii) Which among customer loyalty, customer satisfaction, and customer feed-back indicates that the brand is being managed well?



Findings

“We are living in a world that is no longer facing shortage of goods, but shortage of customers. Good customers are an asset which when well managed and served, will return a handsome lifetime income stream for the company,” truly portrayed by **Philip Kotler** which is well evident in findings which

reveals that customer loyalty and customer satisfaction are key brand management indicators as visible in 40% and 36% of the total responses respectively. The best advertising is done by satisfied customers and thus aids in brand management.

Quoting the importance of customer satisfaction **Drucker** has once mentioned, *'The customer rarely buys what the business thinks it sells him. One reason for this is of course, that nobody pays for the “product”. What is paid for is satisfaction.'*

A methodical work in the area of product design, process to manufacture, sales and marketing including training and support contributes to customer loyalty. This is all about making a customer buy, buy frequently and in larger quantity. The loyalty factor in the mind of a customer makes a customer shop consistently spending a good share of wallet with a positive feeling in his mind for the satisfaction he derives due to performance or convenience thus establishing familiarity and comfort with the brand.

Research Evidence

Paradigm shift in marketing from product-centric to customer centric approach is evident in the findings and is well illustrated in the research paper titled 'Frontiers of the marketing paradigm in the third millennium' (2011) by Ravi S. Achrol and Philip Kotler. Authors say that 'the fundamental process in marketing is consumption, and the elemental concepts in consumption are satisfaction, value and utility. At the nucleus of consumption is a need and its satisfaction. As consumers, we go about need satisfaction via a complex of experiences filtered through our senses.' Thus authors concluded emergent paradigm from consumer satisfaction as consumer sensations and sense-making.

RESPONDENT COMPANY PRACTICES

VolksWagen: For its initiatives like 'Prospect Dialogue Program (PDP) and Customer Dialogue Program (CDP)', Volkswagen has been felicitated by the Australian Interactive Media Industry Association (AIMIA) for outstanding Customer & Brand Loyalty at the Fifth Loyalty Awards 2012.

Yes Bank: 'Jiyo Fit debit card' and 'lifecycle banking' approach has been instrumental in influencing sustainable growth and transformation of a large number of the Bank's customers, resulting in strong customer loyalty and a mutually enriching experience.

Raymonds: Premium Circle- Raymond Retail, winner of Asia' Best Customer Loyalty Program at the Asian Retail Leadership Awards proves Raymond's emphasis on customer Loyalty and customer satisfaction.

More (Aditya Birla Retail): More has a strong membership base of over 3 million members as part of its loyalty programme "Hamesha Extra" is the core essence of More. It means customers will always feel that they have got something extra while shopping at More.

INDUSTRY PRACTICES

Apple's i-cloud service: That is included free on the iphones. The experience that a customer draws with icloud is synchronizing his files and photos automatically at the Apple's data centers and i-devices. This gives customers easy to use applications, with improved functionality (D'Antonio, 2011).

American Airlines: The company realized that flying schedule convenience is at the top of mind of a business traveller rather than the total cost of travel as the ticket cost is paid by the company. Applying the 80/20 rule, the airline introduced a loyalty program giving points when an executive travelled. These points on accumulation reaching a threshold could be used later by the executive trade those for a free trip. The motivation to always travel on American Airlines then became this: For a modest amount of schedule inconvenience, a business traveler could earn points from business trips (paid for by his or her company!) and then use those points for a vacation trip.

INDUSTRY SPEAK

☞ *“A loyalty program is not about giving customers price breaks — which is what most firms do. The more important thing is to 'collect' and then 'use' the information (buying patterns, frequency of purchases, personal preferences) on loyal customers to create more value and therefore greater differentiation”*

- Das Narayandas, Associate Professor, Harvard Business School, an authority on the business of loyalty

Ref: Times News Network (2013), 'Value addition through customer loyalty' *The Economic Times*. 24th September

☞ *“Initiatives like these (relationship building initiatives) help brands build customer loyalty. It's a way to get customers excited about a brand and results in incremental sales. The trend is catching up in India in line with developed global luxury markets”*

- Abhay Gupta, Founder and CEO of luxury consulting firm, Luxury Connect

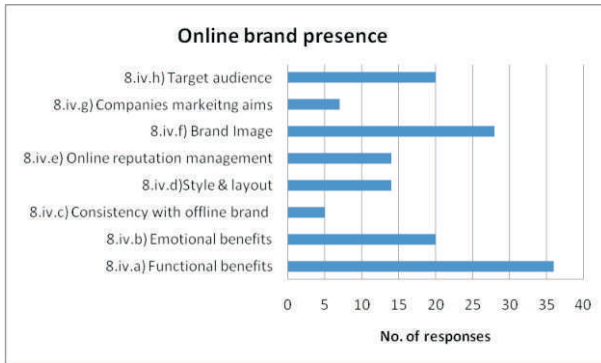
Ref.: Rathore V. (2013), 'Luxury brands like Lamborghini, Judith Lieber and Pernod Ricard pamper top Indian clients to win loyalty' *The Economics Times*. 28th February.

☞ *“On-ground activities help in brand recall. It not only enhances trust factor for the brand but also helps in building loyalty over a long period.”*

- Richa Kar, CEO of online retailer, Zivame

Ref: Singh R. (2012), 'Building customer loyalty: Online retailers like Groupon, Zivame & Goibibo directly interacting with consumers', *The Economic Times*. 28th December.

Q.8. (iv) Through which parameter do you convey your brand's online presence?



Findings and Analysis

25% of the total responses show that a product's functional benefits are conveyed through online media. Online presence management is the process of presenting and drawing traffic to a personal or professional brand online. This process combines web design and development, blogging, search engine optimization, pay per click marketing, reputation management, directory listings, social media, link sharing, and other avenues to create a long-term positive presence for a person, organization, or product in search engines and on the web in general. According to the findings, companies feel that if functional benefits of product/service are communicated through online presence of the brand, then the brand is managed well.

Due to the evolving nature of Internet use, a website alone is not sufficient to promote most brands. To maintain a web presence and brand recognition, individuals and companies need to use a combination of social tools such as Google Maps, Facebook, Twitter, Flickr, YouTube, and Pinterest, as well as cultivating a brand presence on mobile apps and other online databases.

The online presence management process starts by determining goals that will define an online strategy. Once this strategy is put in place, an ongoing and constant process of evaluating and fine-tuning is necessary to drive online presence towards the identified goals.

The product features should drive functional benefits. People buy products because of its benefits and not features. The benefits from a product drive the emotions of a customer rationalizing a decision to buy. Segmentation helps a company to connect right features – benefits to right target audience thus driving those emotional rationale to buy.

The new strategy adopted by marketers is to create online content rather than producing self congratulatory advertisements as done by Coca-Cola, Nestle and Intel. In today's digital world content marketing is gaining importance making the marketer rely on furnishing quality content to the target audience. Content is used to deliver the vision, mission of a company articulating the message of the brand.

The India Brand Equity Foundation (IBEF) says...

Spends on digital media have substantially increased from just over 1 per cent of total Indian advertising spend in the year 2005 to nearly 7 per cent in 2012.

Search advertising accounted for about 38 per cent of the total online advertising spend, translating to about Rs 850 crore (US\$ 147.05 million) while display advertising formed a sizeable 29 per cent (Rs 662 crore [US\$ 114.52 million]) by March 2013, according to the findings of Digital Advertising in India report, by the Internet and Mobile Association of India (IAMAI) and IMRB International. The internet video consumption market in India is growing at a humongous pace, with nearly 80 per cent more videos viewed in 2012 than in 2011.

INDUSTRY PRACTICES

Apple: Apple uses its website to showcase its design of physical features, colours and state-of-the-art software, giving benefits to a buyer of designing better graphics, making him/her feel creative and belonging to the cult.

Dell: With its affordable features because of mass customization practices, can address a functional need of a buyer driving the tailor-made experience making him/her feel emotionally confident and secure of having a right solution.

IBM: IBM spells out the reliability, durability as the features of the mobile workstations, conveying to the buyer its functional suitability to every type of business – big or small, making the buyer feel emotionally that he/she has made a perfect professional choice.

Virgin Mobile: Virgin Mobile engages itself in social communities through Facebook and Twitter rewarding their fans with Virgin experiences.

American Express: American Express live streams concerts through their “American Express Unstaged” programs with exclusive videos.

Mariott: drives its content on Facebook through RenHotels.com its curated local discoveries website.

Kraft Foods: Kraft Foods website content appeals to number of Facebook or Pinterest subscribers with their customer centric approach.

General Electric: GE with their web content on science and innovation on social platforms, is engaging its followers.

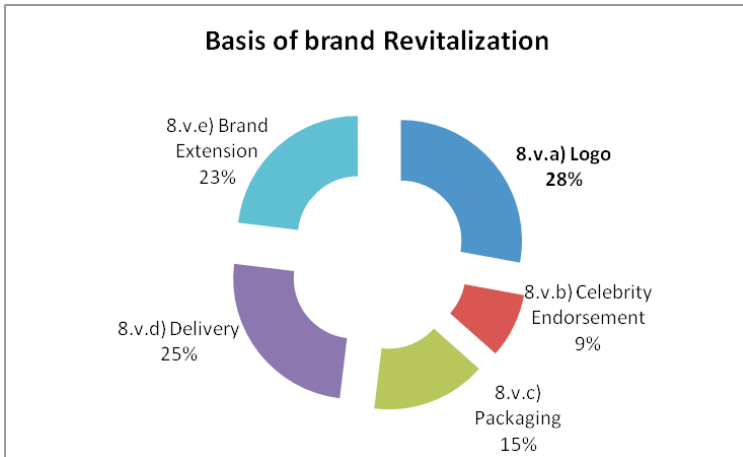
RESPONDENT COMPANY PRACTICES

- **Volkswagen:** Volkswagen engages consumers through its online initiative 'Volksfest'.
- **Yes Bank:** Yes Bank has online content on functional benefits like different services and focus on highest Interest Rates for savings.
- **Raymonds:** Raymonds provides design display and a YouTube link to ads through its online customer interface.

INDUSTRY SPEAK

- ☛ *"While websites began as online catalogs showcasing products or brand objectives, many have evolved into online communities where consumers go to interact with a brand. Consumers see websites as the gateway where they go when they want to begin a brand relationship,"*
Bob Liodice, President and CEO of the ANA (Association of National Advertisers) –ANA, Press Release

Q.8. (v) Have you revitalized your brand based on following: Logo, Celebrity Endorsement, Packaging, Delivery, Brand Extension?



Findings

28% of the responses go in favour of 'Logo change' when it comes to revitalization of the brand. This coincides with the identified *paradigm shift in branding from Logo being a mere icon to Logos telling a brand's story* and that is the reason companies prefer to revitalize their brand by changing their logos.

INDUSTRY PRACTICES

BP Logo: At BP corporate identity was refreshed over a period of 60 years from 1920 -1980 so as to keep the logo looking modern. In its race to catch up with the current trends it redesigned its logo in 2000 to look like a sunflower or Helios identity suggesting environmental concerns.



Apple Computer logo: was complex - illustrated picture of Isaac Newton sitting under a tree. The slow sale of Apple devices prompted the company to change (revolutionise) its logo and make it vibrant with rainbow colours finally evolving in 1998 a transparent logo which is in use today.



RESPONDENT COMPANY PRACTICES

- **Volkswagen:** Changed its logo to create an elegant and corporate image
- **Godrej:** Change in logo of Godrej gave it a "youthful" and "international" appeal.
- **Airtel:** Logo change for Airtel was done to create a youth appeal.
- **Shopper's Stop:** Logo changes was carried for Shopper's Stop to associate luxury with the brand and give it a global appeal.

Brand Extension

Some marketers extend their brand beyond one sector for example:

- **Virgin** - Virgin Money and Virgin Atlantic
- **EasyGroup** - Easy Pizza and Easy Cruise, and
- **Tesco** - Tesco Entertainment and Tesco Finance

In some cases it may actually be more effective to develop a completely distinct brand for the different sectors in which a company wants to operate, rather than stretch the existing brand to meet new markets, for example:

- **Vivanta by Taj'** has become a brand new signature in hospitality.
- **Duracell Powermat** - Famous battery brand pioneers wireless charger for mobile devices.
- **Starbucks Verismo** - The java king rolls out the definitive coffee maker.
- **Disney Baby Store** - A Magic Kingdom's worth of outfits for tots.
- **Google Wallet App** - Just tap your phone to pay at any participating retailer.

Contrarian views on Brand extensions

- Marketing to women may not work for all companies as, when **Porsche** released a SUV designed for women, men started moving away as it compromised masculine image.
- Brand stretching of **Heinz** cleaning vinegar failed because of its association with food.
- **Harley Davidson** perfume failed because of its masculinity image
- Ponds Toothpaste – failed due to perception of Ponds as a brand in face powder.
- **New Coke** - Coca-Cola failed to understand the emotional attachment to the original brand
- **Oran jolt-Rasna's** experiment making fizzy fruit drink that bombed.
- **Gillette** was unsuccessful with facial moisturizer under the Silkience brand name.
- **Levi's tailored classic suites** – failed because of Levi's associated with casual wear.

INDUSTRY SPEAK

💡 *“Rebranding is not just a new logo. A change in visual identity is the most visible announcement of change. The right time to look at change is when there is a gap between the brand perception and audience expectations and the gap starts adversely affecting consumption. Rebranding is about identifying the parts of the brand equity that should never change and separating them from the ones that are redundant as far as the audience is concerned. There are internal as well as external factors that necessitate rebranding. Foremost is the redundancy of expression that creates gaps. But quite often, revolutionary change in technology and offerings or surprising move from the competition also makes large brands look at change in visual identity.”*

- Ashwini Deshpande, Founder Director and Principal Designer, Elephant Strategy + Design (Gupta and Sen, 2013)

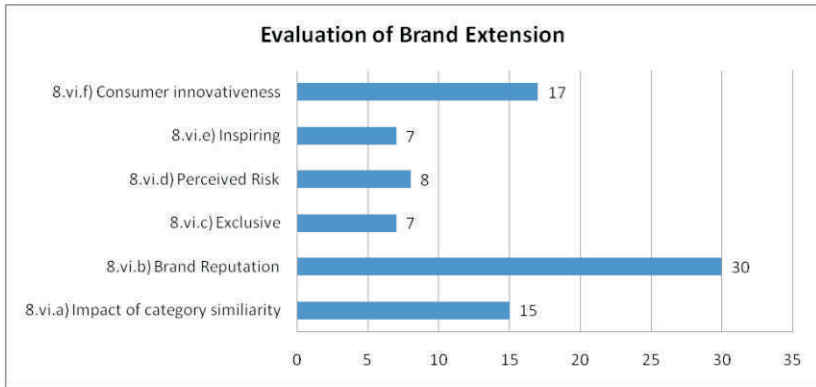
💡 *“We have heard from users that our logo could better reflect the renewed energy and focus of the company. This new logo will align with our more sophisticated design aesthetics and captures where we are as a company and our aspirations for future.”*

- Kathy Savitt, Chief Marketing Officer, Yahoo (Dasgupta, 2013)

💡 *“I think what happens with established brands is that the exposure and over-exposure of their logo brings in fatigue among consumers as well as the brand custodians and hence they implement those small tweaks and changes. In terms of Yahoo!, I would say that they were rather late in implementing the change. This generation of internet-savvy consumers changes their preferences fast and a brand needs to address them. It depends on what generation of consumers the brand is addressing. A Tata Tea might need to change its branding and logo in eight years, whereas a Mercedes might take longer time to do it as it addresses a more classy audience.”*

- Harish Bijoor, brand strategy specialist and CEO, Harish Bijoor Consults, (Gupta and Sen, 2013)

Q.8.(vi). Organisations frequently follow brand extension strategies. How do you as an organisation reinforce the need for evaluating the success and acceptability of brand extensions?



Findings

36% of the responses indicate that 'Brand reputation' is the reason for reinforcing the need for an evaluation of the success of brand extensions. It is true that a need to evaluate the success of brand extension is necessary to identify what impact it has on brand reputation. In the same context, it is rightly said by Jeff Bezos, "a brand for a company is like a reputation for a person. You earn reputation by trying to do hard things well."

'Consumer innovativeness' (20% responses) is the second most responded parameter to reinforce the need for evaluating success of brand extensions as Walter Landor quoted "Products are made in the factory, but brands are created in the mind of consumer."Therefore success of a brand extension denotes that how innovative a consumer might be in accepting the variety offered by brand extension.

Camerer (1988) described a corporate reputation as “a set of attributes ascribed to a firm, inferred from the firm's past actions.”

Fombrun and Rindova (1996, cited in Fombrun and van Riel, 1997) proposed that a corporate reputation “describes the firm's ability to deliver valued outcomes to multiple stakeholders.”

A reputation of a brand depends upon “how it is perceived” or “what does it stand for” or “what are the expectations from the brand” or “how are the expectations met”. Reputation of a brand is not conceived overnight but is built over time with the opinion of people at large.

Traditionally the businesses have focussed on the bottom line and increased shareholder value. Brand reputation takes a more holistic approach and

identifies that revenue and corporate social responsibility go hand-in-hand; like how the work culture at Google does for instance.

The test of brand reputation in a virtual environment is during the moments of crisis. For example the story about “Tiger Woods” – a reputed brand in the field of golf – because of his fanatically irresponsible life style had a series of revelations about carelessness and marital betrayal, caused the reduction of an unquestionable brand value when the key sponsors alienated him. This situation warrants the brand stewards to be cautious about unintentional or even deliberate attacks on the brand.

For this same very reason Toyota pays attention towards 'mentions' (comments) for its products on websites and also engages in online conversations with customers thereby resolving doubts.

Interbrand's study of 'Best Indian Brands 2013' says...

Tata being rated as the top Indian brand by Interbrand, Tata's brand reputation is evident with the extension of brand from Jaguar and Landrover to Nano amidst Tata Motor's acquisition of Jaguar and Landrover brands, and how brand reputation resulted into brand extension as diverse as Tata group.

RESPONDENT COMPANY PRACTICES

- **Volkswagen:** Brand Reputation because of Greenest Brand; 4th rank Interbrand's Best Global Green Brands 2012
- **Yes Bank:** As an evidence of its brand reputation, Yes Bank won 5 awards at Sunday standard best bankers' 2013.
- **Raymonds:** Research & technology; presence in 55 countries with 20k design & colors adds to brand reputation of Raymonds.
- **Aditya Birla Retail (More):** "Retail Best Employer of the Year" at 2012 Asia Retail congress stands for its brand reputation.

INDUSTRY PRACTICES

The extended brand's success depends upon its perception of fit with its parentage. The degree of fit translates the associations of a parent brand to the extension.

Bic: Bic a parent brand in ballpoint pen extended successfully to disposable lighters and razors; However, Bic's extension into perfume was unsuccessful as it was perceived that it did not fit with the parent. (Keller 1998).

Caterpillar: Caterpillar earth moving equipment, extended from heavy machinery into shoes, clothing and handbags. (Keller 1998).

Virgin: In the service sector Virgin moved into radio stations, airline, financial services, and bridal services (Keller 1998).

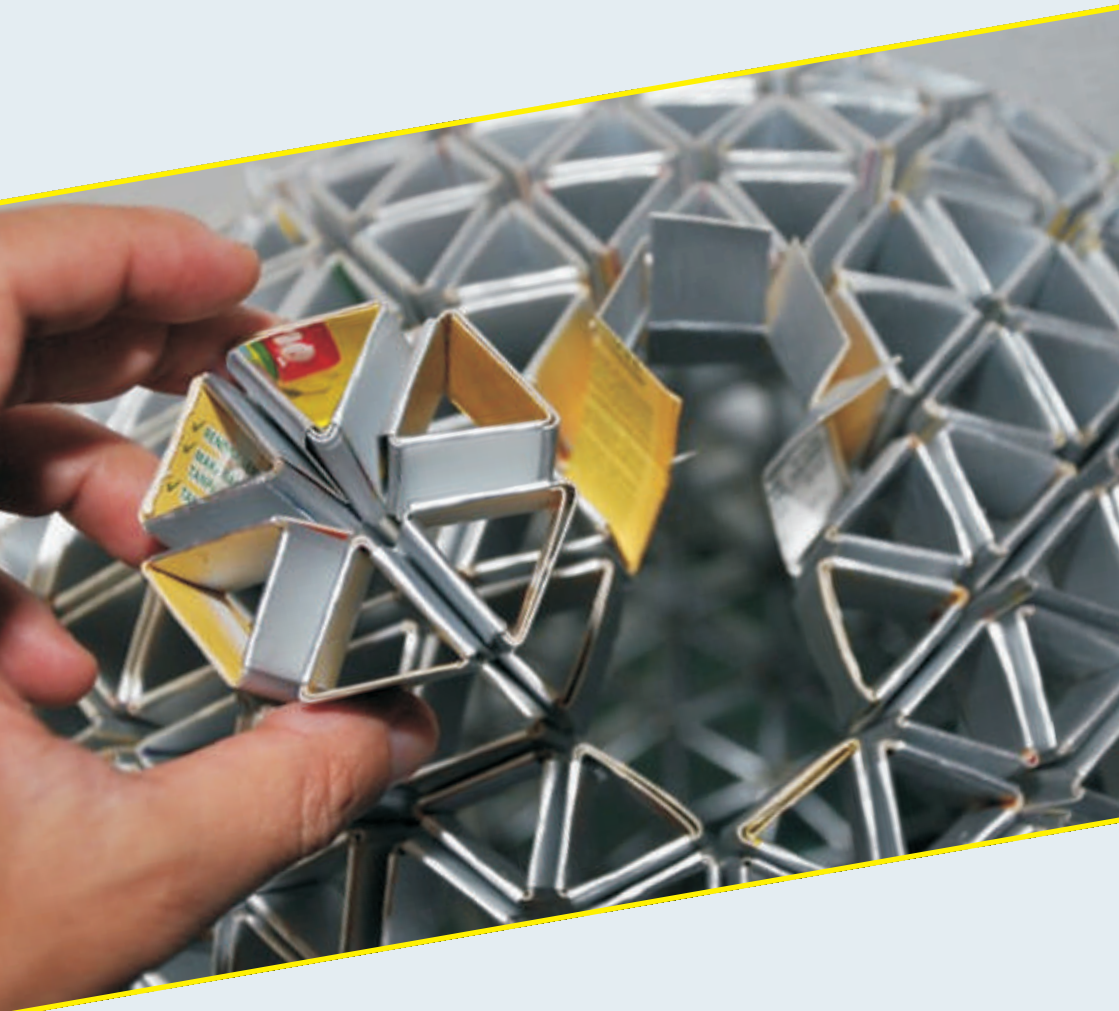
Pleasures: However, there is a recent trend of companies extending their feminine brands to target men. '**Pleasures**' from Estee Lauder, a perfume launched initially for ladies was later extended to male segment (Marketing Week 1998).



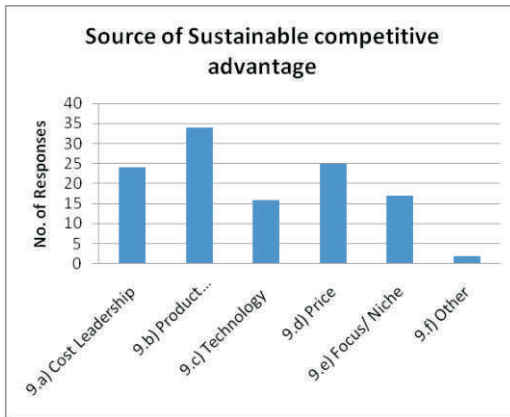




How do you achieve sustainable competitive advantage?



Q.9. How do you achieve sustainable competitive advantage?



A market is never saturated with a good product, but it is very quickly saturated with a bad one.

- Henry Ford

Findings

Answering towards the question on sustainable competitive advantage, 29% of the responses showed 'Product and service differentiation' as their source of sustainable competitive advantage. Henry Ford truly said, “A market is never saturated with a good product, but is very quickly saturated with a bad one” that is why if companies want to sustain their competitive advantage in long-run, then their product/service has to be differentiated as well as maintain its 'point-of-difference' consistently in marketplace.

Product or Service if it is commoditised has difficulty being sold, for example Gold a natural commodity that is mined irrespective of the mining company remains the same. Competitively such a product is difficult unless some factors that would differentiate it from its competitors would make it easy to be sold. For example: **Kalyan Jewellers** using Amitabh Bachchan in its advertisements narrating how a consumer can bargain against its competitors at the same time get guarantee of money's worth. This drives a point as to why a customer should buy from Kalyan Jewellers than from its competitors.

In case of commodity as a product sales difference can be found in a right way by creatively approaching the problem. Consider the case of Water as a commodity to be sold. Knowledge about the source of water, its taste, the packaging made all the difference making it possible for water companies to tell their prospects about the superiority of the water. Shelves of bottled water are stacked in supermarket from numerous companies. If water is sold in a competitive environment, imagine other products, how they can be sold with a bit of creativity.

Example

Product differentiation strategy of Hawkins is to span a wide range of cooking products with innovative product designs. Its Futura brand which has obtained patents and design registration in many countries and is the only pressure cooker to be displayed in the Museum of Modern Art, New York.

Findings

Further findings of the study reveal that 'Price' and 'Cost Leadership' as a source of sustainable competitive advantage as is seen in 21% and 20% of the total responses respectively. This shows that attractive prices are driving consumerism in the countries like India and low cost advantage is also a prominent sustainable competitive advantage. It is clear that companies consider best way to hold customers is by constantly figuring out how to give them more for less.

Euromonitor, BCG Analysis says...

In contrast to 'Affluent' consumers comprising 6% of Indian household, 'Struggler' category of Indian consumers currently comprises of 50% of Indian household which is very much price conscious and for targeting this category 'attractive pricing' is the key source of competitive advantage.

RESPONDENT COMPANY PRACTICES Product & Service Differentiation

- **Eureka Forbes:** Eureka Forbes has installed hundreds of large purifiers called Water Shops in villages, and trained to run the plants and sell that water. Using advanced monitoring systems and central diagnostic centres, Eureka can track the level of impurity in each plant in real-time at their main lab, the Aquadiagnostics. Water Research Technology Centre in Bangalore. By purifying the water at the borewell extraction stage and attaching sensors to the filter, it can monitor the quality of water being accessed by the community. Sixteen regional labs, which analyse the water, have the ability to calibrate the plant to change its purification methods.
- **3M:** Post-it- Greener Notes: Greener Notes use an adhesive invented by 3M scientists which is 67% plant-based material by weight. The product is made with 100% recycled paper and contains a minimum of 30% post-consumer recycled content.
- **Volkswagen:** Diversified portfolio for different segments – VW (Polo, Vento, Passat), Audi, Buggati, Porche, Skoda accounts for product differentiation.

INDUSTRY PRACTICES

Citibank: Citi, Asia's leading global bank for institutional and retail clients, plans to open six more Asian desks in the next 12 months to serve Asian corporate clients across the world. The desks will compliment the 13 desks already opened by the bank that are servicing Asia's leading corporate clients. The new desks to be opened include four China desks – in Africa, Latin America, Russia and South East Asia and two Korean desks - in South East Asia and Latin America.

Hewlett Packard: was the early one to realise and consider the PC market being commoditised. It started producing energy-efficient PCs with Energy Star as the logo that helped in commanding premium price in a competitive market.

Avalon: The beauty product company started making its customers aware about the healthy skin in reference to their products being manufactured from natural products so as to avoid toxic chemicals. Making the customers conscious about this was a part of Avalon's sustainability strategy, resulting into growth.

Product differentiation can be achieved by Form – Size or Shape, Features, Performance Quality, Conformance Quality, Durability, Reliability, Reparability and Style.

For example differentiation can be achieved through **multiple sources** –

- Modi Xerox and its collaboration with Rank Xerox
- Garden Silk differentiates through design
- DuPont's leadership in chemical technology provides its products extremely differentiated position
- Caterpillar Tractor, differentiates through its distribution channel and service

Examples of Product Differentiation based on **ingredients** –

- HUL's Close-up based on gel used Glycerine instead of calcium carbonate.
- TTK group launched prestige range of non-stick frying pans made from Dupont Teflon, the best material for Non-stick property.
- Balsara Promise Toothpaste with Clove oil.... Traditionally recognised herbal remedy.
- P&G introduced New Ariel Microshine –incorporating carezyme in its detergent gaining some market share.

Examples of Product Differentiation through **Functional values** –

- Videocon computer controlled fridge
- Indecor Paints launched 'Vinycide' Paints with insecticides mixed
- Instant Chapatti maker – Roti Chef: giving ease and speed.

Examples of Product Differentiation through **additional features** –

- Aristocrat suitcases with wheels
- Dunlop's Olympus car Tyres manufactured for Maruti a tyre designed especially for front wheel drive , for Premier - extra wide tyre, and for Ambassador a Tyre with extra rubber to take care of extra weight

Examples of Product Differentiation by **Packaging** –

- Frooti in a Tetra pack
- Brylcream in flexi tube
- An application friendly nozzle for Harpic Toilet cleaner
- Sleek nozzle for Hit to kill cockroaches with narrow and hidden areas

Examples of Product differentiation by **design** –

- Product design – Honda cars with button press ignition allows functional performance of tasks & may provide a competitive advantage
- Product attributes (tangible or intangible) separate your product from others – Kinetic Honda with electronic ignition and do away with kick start routine, automatic gear shifting especially for women
- Titan watches – projected as accessories - Classic with elegance of gold, Royale with Gold and precious metals , Aurum with 18 carat gold and studded with Gem .

Services Differentiation

When a product cannot be differentiated by its physical appearance, the key to competitive strength may be derived from adding services and improving the quality of service. The main service differentiators are:

- **Ordering ease** – Corporations like Dell, Baxter Healthcare and web-based services like Quickr.com, flipcart.com, makemytrip.com, and net grocer have eased the process of placing an order. One does not have to step out of the house to buy the service.
- **Delivery** – is related to how well a service is delivered to the customer with speed and accuracy. The best examples are again Dell, HP, which delivers service right at the doorstep of the customers.
- **Installations** – In case of complex products, installation carries more importance.
- **Customer Training** - refers to how the seller provides training to the buyer about the product and how to use it. General Electric gives training to hospital staff on provisioning
- **Customer consulting:** of expensive equipments about its usage. It refers to the advisory services generally offered in the field of data, information systems, and management.

INDUSTRY SPEAK

- 💡 *“Consumers have 1,70,000 apps on the windows marketplace app store to choose from, which will help the company better its image in the apps space.”*
- **Viral Oza Director-Marketing, Nokia India** (ET Bureau, 2013)
- 💡 *“The styling of the new models represents 'a shift in paradigm'. We radically changed the design language to make it super clean and pure in line with our philosophy, which we call 'sensual purity'.”*
- **Gorden Wagener, Chief Designer, Mercedes**, (Bloomberg, 2013)

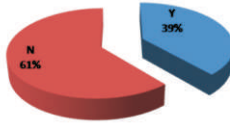
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Do you sell in rural markets? How do you screen the initial set of market options?

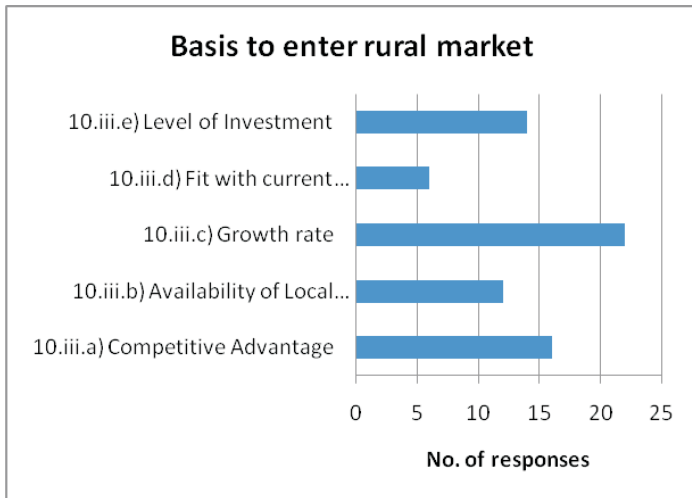


Q.10.Do you sell in rural markets? How do you screen the initial set of market options?

Q.10 Rural Markets



- Majority of respondents sell in rural markets



Findings

Although most (61%) of respondent companies do not sell in rural markets, yet considerable number of respondents (39%) opt for selling their products and services in rural markets, which shows that companies are gradually shifting their focus to rural market-space.

To screen the initial set-up of options, highest number of responses (31%) focuses on the 'growth rate' of target market. There's no second thought about the fact that the Indian rural market is increasingly becoming the economic powerhouse of the country. The hinterlands, accounting for about 50 per cent of India's gross domestic product (GDP) and housing nearly 70 per cent of the country's population, are showing remarkable multiplier effect and thereby excite policy makers and business leaders.

The India Brand Equity Foundation (IBEF) says...

Rural areas are witnessing enormous growth in their incomes and crucial shift in consumer behaviour. Rural consumption per person has increased by 19 per cent yearly between 2009 and 2012; two percentage points higher than its urban peers. In incremental terms, spending in rural India during this period, increased by US\$ 69 billion is significantly higher than US\$ 55 billion by urban populations.

CRISIL Research says...

Rural spending outpaced urban consumption in the two years up to 2011-12, the first time in nearly 25 years. This was fuelled by a strong increase in incomes, led by rising non-farm employment opportunities and the government's focus on rural employment generation schemes. With rising purchasing power and disposable income, the study said that notable phenomenon that is increasingly discernible in rural consumption is a shift from necessities to discretionary goods.

Research Evidence

Paradigm shift in marketing from targeting only urban market to targeting rural market also well illustrated in the research paper titled '*Frontiers of the marketing paradigm in the third millennium*' (2011) by Ravi S. Achrol and Philip Kotler, says that purchasing power of BOP (Bottom of the Pyramid) amounts to \$ 8 billion per day, making them a multi-trillion dollar market for the world's products. Authors mentions that the management priorities are shifting form targeting middle and upper class high value markets towards growth from lower middle and base-of-the-pyramid markets.

RESPONDENT COMPANY PRACTICES

- **Eureka Forbes:** Eureka forbes offers Packaged Drinking water for rural markets through local communities and franchises.
- **Volkswagen:** Volkswagen carries Event promotions for its products Polo and Vento in rural markets.
- **Titan Industries Ltd.:** Titan has extensive distribution for all its products in rural markets, low priced variants like 'Sonata' are heavily promoted.
- **Raymonds:** Raymonds has entry line budgeted category - shirts and fabrics for rural markets.
- **Kotak Mahindra:** Rural auto loans are popular products promoted by personal selling by Kotak Mahindra.
- **Sandu Pharmaceuticals:** Company offers ayurvedic medicines to rural markets also.

INDUSTRY PRACTICES

HUL empowered rural women as Shakti Ammas, Dabur India made rural people use the company's sample products and experience the benefits for themselves. Two-wheeler manufacturer Hero Motors added authorised representative dealers to its existing hub-and-spoke network. This step added more than 5, 000 touch points to Hero's channel strategy, enabling the company to extend its reach to 20 per cent of India's 600, 000 villages.

Vodafone India has rolled out an array of initiatives such as its Associated Distributor Vodafone Mini Stores (ADVMS) to get a foothold in the rural market. ADVMS, commonly referred in rural India as laal dukaan (red stores), are touch points managed generally by a resident of the area, such as someone from the Panchayat. At present, Vodafone India — the Indian unit of British telecom major Vodafone — has about 5,500 ADVMS across the country, out of a total of 7,800 exclusive retail stores.

Bajaj Electricals is set to follow a 'mera gaon, mera desh' strategy to keep its growth curve intact. The company, known for its mass market strategy, is planning to launch rural-specific brands under the Bajaj umbrella to tap the most price-sensitive segment in the country — the

INDUSTRY SPEAK

💡 *"Having reached our financial break-even in Gujarat, Uninor is now investing in its business in the state to take its services to small towns and villages. We are now an established competitor in Gujarat. We have the ability to go deeper and wider into the rural territories; markets where basic services and affordability are relevant and our focus is on that now."*

- Yogesh Malik, Uninor Chief Executive

11

How important are the following criteria as you prioritize projects/products? [Please Rank the following from 1 to 9]

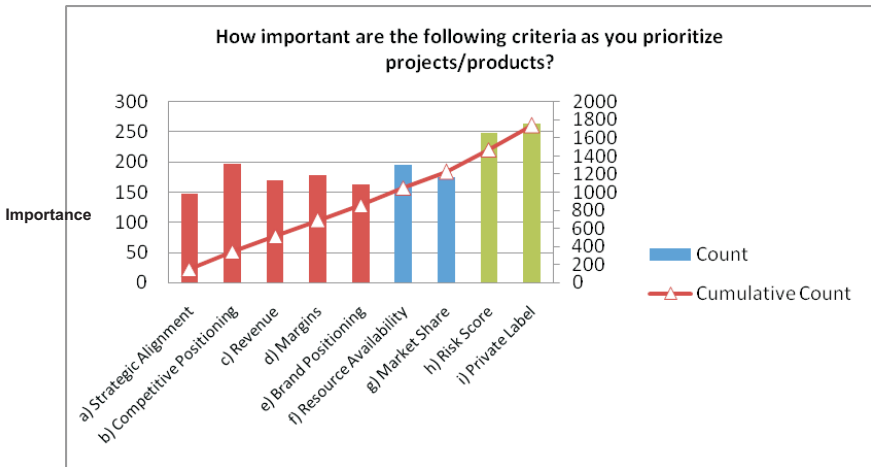
- a) Strategic Alignment
- b) Competitive Positioning
- c) Revenue
- d) Margins
- e) Brand Positioning
- f) Resource Availability
- g) Market Share
- h) Risk Score
- i) Private Label



Q.11. How important are the following criteria as you prioritize projects/products? [Please Rank the following from 1 to 9]

- a) Strategic Alignment
- b) Competitive Positioning
- c) Revenue
- d) Margins
- e) Brand Positioning
- f) Resource Availability
- g) Market Share
- h) Risk Score
- i) Private Label

	Count	Cumulative Count	Cumulative %		
a) Strategic Alignment	147	147	8%	A	Most Important
b) Competitive Positioning	197	344	20%		
c) Revenue	169	513	30%		
d) Margins	178	691	40%		
e) Brand Positioning	162	853	49%		
f) Resource Availability	195	1048	60%	B	Important
g) Market Share	174	1222	70%		
h) Risk Score	249	1471	85%	C	Less Important
i) Private Label	264	1735	100%		
	1735				



Null Hypothesis: There is no significant difference in the importance given to various criteria while prioritising projects/products.

Alternate Hypothesis: There is significant difference in the importance given to various criteria while prioritising projects/products.

Descriptive analysis includes mean and standard deviation, which are computed for all variables to obtain a general profile of the distribution of responses. In the table below the mean and standard deviation of all the variables are tabulated.

The table below shows the mean ranks received for each variable. Based on this, we can see that 'Private Label' has received the highest mean score of 6.77, followed by 'Risk Score' with mean score of 4.13, followed by 'Competitive Positioning' with a mean score of 5.05.

Descriptive Statistics					
	N	Mean	Std. Deviation	Minimum	Maximum
VAR00001	39	3.77	2.486	1	9
VAR00002	39	5.05	2.271	1	9
VAR00003	39	4.33	2.309	1	9
VAR00004	39	4.56	2.315	1	9
VAR00005	39	4.15	2.390	1	9
VAR00006	39	5.00	2.685	1	9
VAR00007	39	4.46	2.292	1	9
VAR00008	39	6.38	2.220	1	9
VAR00009	39	6.77	2.795	1	9

The Friedman test is a non-parametric test used to test for differences between groups when the dependent variable being measured is ordinal. In the case of this question 64 respondents each rate 9 different parameters. For each case the 9 variables are ranked from 1 to 9. This test can be used to study whether any parameters are consistently ranked higher or lower than others.

The Ranks table shows the mean rank for each of the parameters, as shown below:

Ranks				
		Mean Rank	Cumulative Mean rank	Cumulative %
a) Strategic Alignment	VAR00001	3.83	3.83	9%
e) Brand Positioning	VAR00005	4.23	8.06	18%
c) Revenue	VAR00003	4.37	12.44	28%
g) Market Share	VAR00007	4.54	16.97	38%
d) Margins	VAR00004	4.64	21.62	48%
f) Resource Availability	VAR00006	4.99	26.60	59%
b) Competitive Positioning	VAR00002	5.17	31.77	71%
h) Risk Score	VAR00008	6.44	38.21	85%
i) Private Label	VAR00009	6.79	45.00	100%
		45.00		

The Friedman test compares the mean ranks between the related groups and indicates how the groups differed, and it is included for this reason. Hence we have reported the median value for each parameter. Purely on the basis of this table the following parameters have received the highest mean rank: 'Private Label', 'Risk Score' and 'Competitive Positioning'. This is similar to what we saw earlier.

The Test Statistics table given below informs the actual result of the Friedman test, and whether there was an overall statistically significant difference between the mean ranks of our parameters.

Test Statistics ^a	
N	39
Chi-Square	42.153
df	8
Asymp. Sig.	.000
a. Friedman Test	

On the basis of the above table, we reject the null hypothesis. There is significant difference in the importance given to various criteria while prioritising projects/products $\chi^2(2) = 42.153, p = 0$.

From the highlighted table values - there is significant difference in order of importance for variable 1 and variable 5. We will further test these two variables using paired t-test the variables using paired.

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	VAR00001 - VAR00005	-.385	3.438	.551	-1.499	.730	-.699	38	.489

On the basis of the above table, we can say that there is no significant difference in the importance given to variable 1 and 5 i.e. Strategic Alignment and Competitive Positioning while prioritising projects/products $p = 0.489$.

Var 1 and Var 5 i.e. Strategic alignment and Brand Positioning are significantly different but statistically there is no difference.

This procedure can be repeated check statistical difference between ranks.

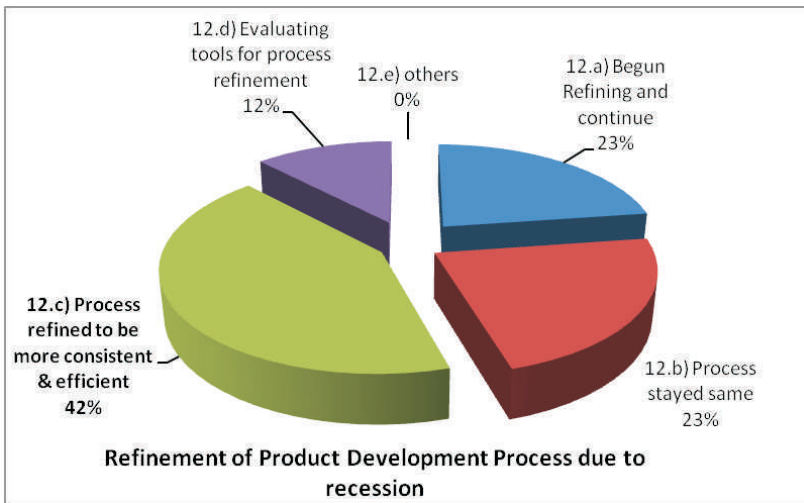




As a result of the recession, how has your organisation refined the product development process?



Q.12. As a result of the recession, how has your organisation refined the product development process?



Findings

42% of the respondent firms, as a result of recession, have refined their product development process to be more efficient and consistent across the organisation. 23% of the respondents mentioned that they have begun to refine the product development process and will continue to do so during recessionary times. While another 23% have not made any changes on account of recession and have let the product development process stay the same.

India along with a large part of the globe is in the midst of a slowdown that shows no signs of improving anytime soon. Management theory indicates that organisations tend to operate out of fear rather than enthusiasm during a slowdown. This lowers morale and creates an atmosphere of uncertainty, insecurity or even inactivity in companies. In his book *The Speed of Trust: The One Thing That Changes Everything* (2008), author Stephen Covey says, "In a global economy, 'speed to market' is the ultimate competitive weapon." He further establishes how low trust causes friction, whether it is caused by unethical behaviour or by ethical yet incompetent behaviour. What he says is in fact, more relevant now than ever. During uncertain times, it is important for an organisation to understand how faster strategic thinking and slow operations will ensure survival, particularly when it comes to refining product development process to be more consistent and efficient across the organisation (Gupte and Joshi, 2013).

Our study shows that close to half of the respondent companies surveyed have refined their product development process to be more efficient and consistent across the organisation, as a result of recession. Organisations have to change the way their value chains functions in order to meet the challenges of recessionary times. Starbucks is implementing 'lean' Japanese techniques as part of its reengineering process to improve service and bottom line. (Jargon, 2009 as cited in Cravens, Lane and Piercy, 2010). Value chains will have to be rebuilt to be shorter and more effective so that new techniques for collaboration in the product development process can help companies to manage demand shifts without hurting profitability (Sodhi and Tang, 2009).

Also some companies feel that 'Consistency' is important during a slow down. Santosh Unni, CEO of **Costa Coffee** also states, "*Slowdown has taught us to be consistent in decision-making and continue our expansion drive*" (as quoted in Gupte and Joshi, 2013).

In a research paper by Lowth, Prowle and Zhang (2010) of the Nottingham Business School emphasis, "*Many companies see it as important that they continue to try and drive down their fixed cost base as a means of sustaining competitive advantage. Part of this could involve bringing in new approaches to product development which could spawn multiple (rather than single) products thus taking out a lot of that fixed cost within engineering, the supply base and manufacturing.*"

The quote below by the Chief Research and Strategy Officer of Microsoft also shows how significant efficiency through cost containment is critical as the organisation refines or develops products which could help the organisation sail through the recession:

☛ *"If you look back at economic downturns including the Great Depression, the companies that faired best in almost every case were those that actually did two things: they responded in terms of cost containment and continue to invest in product development. Often, the products in development during economic downturns help the company get going again. We think it will be a key part in how Microsoft performs well as the world starts to pick up and perform better economically".*
- Craig Mundie, Microsoft's Chief Research and Strategy Officer (Gohring, 2009)

Around one-fourth of the respondents in the study mentioned that they have begun to refine the product development process and will continue to do so during recessionary times. **Joel Delman** (2011) describes below how historically recessions have been times when companies have refined their products to come up with innovative solutions to needs of consumers influenced by recessionary pressures. Necessity is the mother of invention!

☞ *“Richard Drew introduced the first clear adhesive tape in 1930, as budget conscious consumers found the tape extremely useful to patch up old clothing or to fix small breaks in everyday household items. In the 1970s, General Electric produced the first fluorescent light bulb in the midst of the decade's oil crisis. Though similar to existing bulbs in light output, the design quickly took off because of consumers' new interest in energy conservation. The common thread among these products is that they provided meaningful solutions to problems - or offered the promise of significant tangible benefits - when time and money were at a premium”.*
- Joel Delman, Design Director, Product Development Technologies Inc. (Direct Marketing News, 2011)

However, there is another one-fourth of the respondent sample that mentioned that the product development process in their organisation has not changed. This could either be due to complacency or as these organisations feel that they already have sound practices in place w.r.t. product development. As seen in the quote below by the Vice-President of Client Consulting of the global research giant Nielsen, companies which believe that they have built strong foundations for product development might feel that these foundations will guide them even during recessionary times.

☞ *“Guide the ship with a steady hand, but don't over-steer. If a fundamentally sound innovation process has shown results during “normal” times, then the right principles are likely in place. The same principles that guide innovation decisions during normal economic times are relevant during recessionary times too”*
- Mike Asche, Vice President of Client Consulting and Rob Mooth, Vice President of Client Consulting, The Nielsen Company (Nielsen, 2009)

FORD ECOSPORT – PRODUCT RECALL PROGRAMME

“Here's what happened with Ford in India soon after the launch of its SUV EcoSport recently. Auto experts were touting Ford's EcoSport as the launch that was going to shift the market paradigm. Unfortunately, within a few days after the vehicle's launch in around June end, 972 units of the diesel version were recalled due to a problem in vehicle's glow plug module.

Even though the company claims to have wrapped up its product recall programme, its brand value has been eroded say experts. Unlike mature automobile markets like the US where car manufacturers and consumers take product recalls in their stride, in India this concept evokes fear and distrust.

"If Ford had spent a little more time on vehicle testing, this incident could have been averted," says an auto analyst (as cited in Gupte and Joshi, 2013). A justification could be the pressure faced by the company to have enough units ready to meet booking numbers during the launch phase. Actually, this was the right time to stop and think how EcoSport could be a star product by fine-tuning its strategy further.

According to Keyoor Purani, Associate Professor, Marketing, IIM Kozhikode (as cited in Gupte and Joshi, 2013), "The aggressive pricing goal of EcoSport may have made engineers overlook some critical issues. In a hurry to grab the opportunity and/or fighting a competitor, the growing product complexity in a category like automobile and aggressive product-development goals may diffuse the commitment to safety."

-Gupte and Joshi, 2013

RESPONDENT COMPANY PRACTICE

- **Monginis:** In the Domestic market Monginis has severe competition from Ribbons and Balloons, Birdies etc. Hence, Monginis have refined their process of supply chain management.

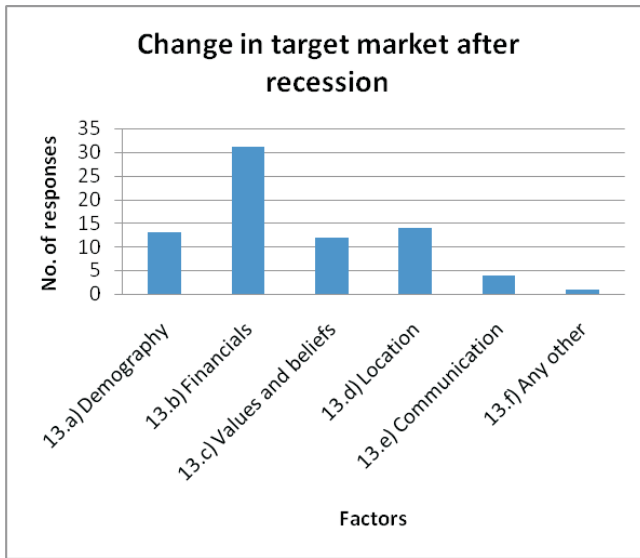


13

In reference to which parameters has your target market changed after recession?



Q.13. In reference to which of the following parameters has your target market changed after recession?



Findings

42% of the responses show that the purchasing power of their target market has changed. 29% of the responses show that their target market has changed with respect to location.

The findings show that slightly less than half of the sample interviewed feels that the recession has impacted the purchasing power of their target market. Many organisations both in India and internationally have been trying to grapple with this situation due to the slowdown in their economies. Companies may use the slowdown to ramp up their activity and push boundaries or defend their turf and hold on to their current position. Some organisations have tried to fight the recession by trying to use it to their advantage. **Wal-mart** reduced the variety and choice in standard products making it simple for a thrifty consumer to make a decision with a benefit drawn internally by Wal-mart cutting on excess inventory and creating space for Private labels. Discount retailers like Wal-Mart, **Blackberry** phone handsets product company – Research in Motion, Internet TV set manufacturer, Blu-ray player chip manufacturer – **Sigma designs**, Internet portal companies like **MTNL** or Convergys have been extremely successful in drawing value and cost-oriented consumers from rivals (Brat et al, 2009 as cited in Cravens, Lane, Piercy, 2010).

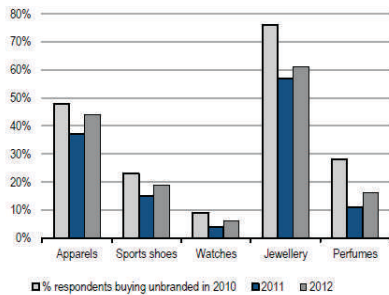
Howard Davidowitz, retail analyst and Chairman of Davidowitz & Associates, rightly emphasises how the purchasing power and hence the actual spending by Americans has declined due to recession.

☞ *“80% of Americans are working less hours, getting less pay...so that Americans are having to watch every last penny... You've got to keep in mind, 80% of this country is in a recession. Soon, one-third of America will be in poverty. The result of that is that people are looking for cheap, cheap, cheap.”*

- Howard Davidowitz, retail analyst and Chairman of Davidowitz & Associates (StockMarkets Review.com 2013)

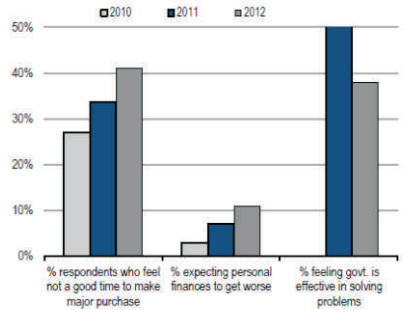
The Credit Suisse India Consumer Survey (2013) shows that in 2012 people expected lower salaries implying a reduction in the personal incomes and hence need to postpone 'large-ticket purchases'. This has impacted categories which are based on 'discretionary consumption' and is reflected in reduced sales of high end products and also increased demand for cheaper unbranded products.

Figure 4: After a decline last year, the preference for unbranded goods in discretionary has again risen



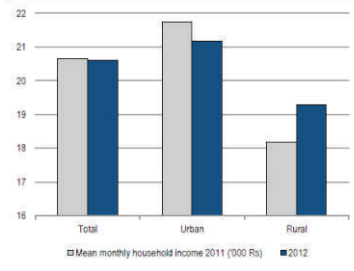
Source: Credit Suisse India Consumer Survey 2013

Figure 3: More people postponing their major purchase decisions



Source: Credit Suisse India Consumer Survey 2013

Figure 5: While mean household income of urban India declined 3%, it increased 6% for rural India



Source: Credit Suisse India Consumer Survey 2013

The Credit Suisse Survey also shows that while the mean household income of urban India has declined, it has increased for rural India. Hence a change in location of the target market could also imply a shift or expansion to rural areas.

It is argued that Tide, a market leader in US and a leading brand in many other markets has lost its market share to cheaper laundry products during the recession because its products carried premium prices.

☛ *“P&G's Tide brand will launch a new lower-priced version of its liquid detergent. Tide 'Simply Clean and Fresh' will be launched (globally) in February and will be priced in the mid tier of laundry products, where P&G is underdeveloped with a 30 percent share. The new lower-priced Tide will cost about 25 percent less than its premium products. Consumers have different needs and wants. We aim to meet their needs with brands and products they prefer and can afford.” - A.G. Lafley, CEO, P&G, (Monk, 2013)*

The next example shows how companies are looking to expand to new locations as a strategy to deal with the recessions.

☛ **QUICK SERVICE RESTAURANTS (QSRS) DEALING WITH SLOWDOWN :**

“Quick service restaurant (QSR) chain Subway added close to 6,000 restaurants from 2008-10 globally. The fact that Subway offers eating options at an agreeable price would work for slowdown-hit consumers too and the expansion augured well under such circumstances.

As per franchising industry research data firm FranData, this recession-era expansion by Subway was the largest of any chain. The company attributes this to cheaper real estate, more available prime locations and more agreeable landlords. This logic should ideally then apply to other QSR chains as well that are offering 'family meals at pocket-friendly prices'.

Costa Coffee took a similar approach when it opened 32 outlets in India in 2010 around the last slowdown, the largest expansion drive ever. It will be taking a similar approach this year as well. "Slowdown has taught us to be consistent in decision-making and continue our expansion drive," said Santhosh Unni, CEO, Costa Coffee.”

- Compiled from: Gupte and Joshi, 2013

RESPONDENT COMPANY PRACTICES

- **Volkswagen:** Focus on emerging markets with low cost models: VW Santana & Jetta. In China, Volkswagen is selling their Santana and Jetta models starting at 8,000 euros so Volkswagen can build affordable cars quite well. They are going one segment lower on prices. They want to provide a full-fledged vehicle suitable for families - for customers content with getting into individual mobility with a budget between 6,000 and 8,000 euros.
- **Eureka Forbes:** Selling cheaper products like 'Aquasure' through their retail channel
- **3M:** Focus on locally developed cheaper products in China due to slow down – for example, masks to suit Asian faces

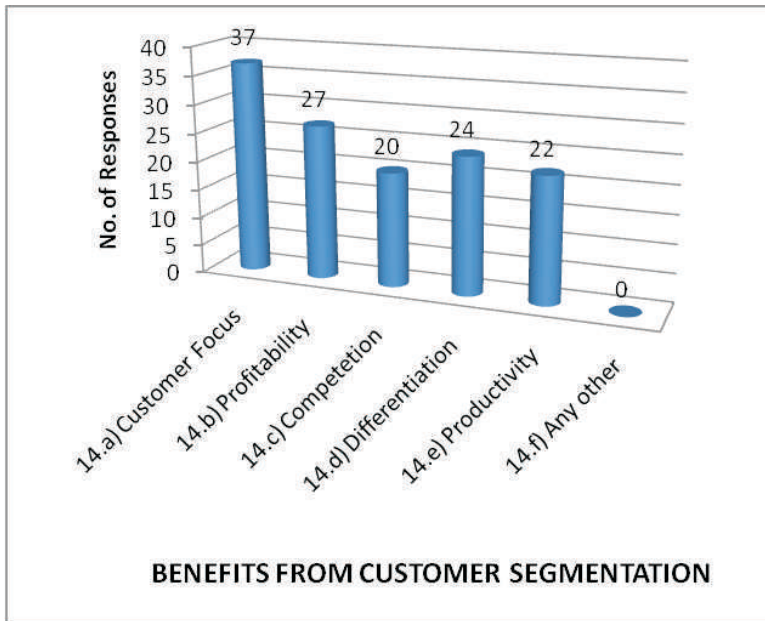


14

What are the benefits derived from customer segmentation?



Q.14. What are the benefits derived from customer segmentation?



Findings

Amongst the benefits derived from customer segmentation, 'Customer focus' received the highest response i.e. 29%. Another 21% of the responses show that respondents felt that 'Profitability' was the main benefit arising from segmentation.

As we can see above 'Customer focus' is seen to be an important benefit of segmentation as mentioned in 29% of the total responses. Let us take the example of Kesari tours and travel company to see how segmentation helps in acquiring a 'customer focus'. Kesari segments its customers to design appropriate promotions for them as a part of the company's media strategy thus developing the right focus and creating the right tour plans for those segments. The company then takes care of airline or railway bookings and hotel bookings along with the tour package which is the need of the segment.

The quote below also shows how focusing on a particular segment helps an organisation to come out with a differentiated proposition for that segment.

☛ *That is part of the transition that we can show the differentiating features for our consumers. Differentiating development and experience includes differentiating design language. Our target segment is the youth. We have a differentiated target proposition that is the new design language – the colour and design story. There is a consistent colour story across our Lumia range of smartphones and Nokia accessories.”*

- Vipul Mehrotra, Head of Smartphone Devices, Nokia IMEA (Sahay, 2013)

Research Evidence

As evident from the research paper titled 'From Mass Production to Mass Customisation' from 'Journal of Textile and Apparel, Technology and Management- Vol.1 Issue-2, 2011' (Fralix 2001), the era of mass production is being replaced by the era of mass customisation and the goal of mass customisation is to provide enough variety so that the wants of different segments of consumers are satisfied and thus mass customisation fulfils the firm's objective of customer focus.

Dividing consumers into segments based on behavioural characteristics helps to focus consumer education and engagement behaviours as is mentioned below by Peter Shaw (2011), Senior Director of the Smart Energy Practice at J.D. Power and Associates.

☛ *"Rather than focusing on how customers perceive smart energy, the key to creating engagement lies in understanding the kinds of behaviors that different types of customers will undertake--behaviors that utilities hope to encourage. This provides an efficient framework for optimizing effective customer education and engagement strategies designed to introduce smart energy behaviors to large, diverse customer populations.”*

- Peter Shaw, Senior Director of the Smart Energy Practice at J.D. Power and Associates (PR Newswire, 2011)

The quote below by Bonnie Riggs (2011) emphasises the importance of defining customer segments using the right variables for the restaurant industry to enable growth and recovery. This in turn will eventually contribute to increased profitability.

💡 *“Recovery and growth for the restaurant industry will mean understanding the shift in consumer behavior and realigning strategies with what may be the new normal. Rather than age largely defining frequency and type of restaurant visited, lingering effects of prolonged unemployment and loss of wealth by many will carry forward in years to come, regardless of age.”*

- Bonnie Riggs, NPD restaurant industry analyst and author of the report *The Changing Consumer Mindset: What it Means to the Restaurant Industry* (Digital Journal, 2011)

RESPONDENT COMPANY PRACTICES

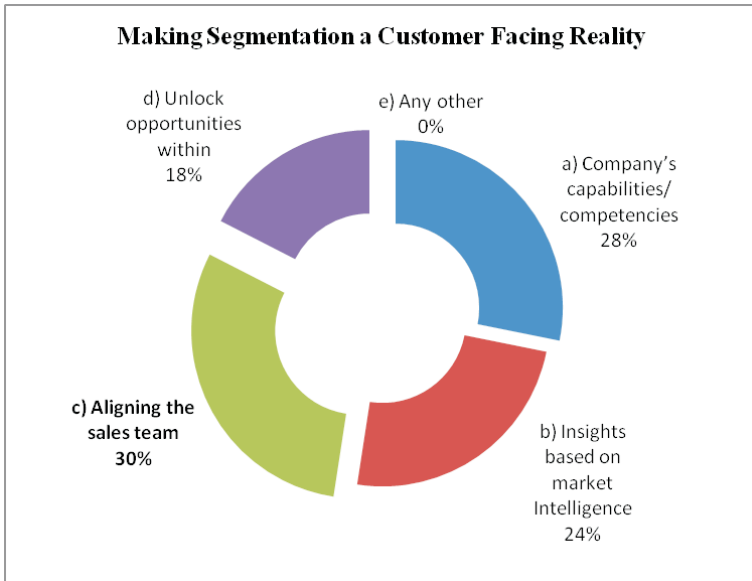
- **Raymonds Ltd.:** Raymonds has been able to target and focus on specific needs of customers.
- **Volkswagen:** Has a wide range of product offering ranging from hatch back cars to station wagons to pick up SUVs and within these they try to cater to the needs of different customer segments ranging from those who prefer luxury cars to those who prefer small or mini cars.
- **Titan Industries:** Titan has a wide collection of watches: the Fastrack range focuses on young people; Raaga Collection for women and Sonata to focus on the affordability and value driven consumer.
- **Bharti Airtel:** been creating tariff bundles and communication messages that focuses on the needs of different customers. For instance their 'har ek friends zaroori hota hai' campaign focused on youngster's needs to stay in touch with all the friends and hence also to come up with tariff bundles which can be used within a group of friends.

15 Q

How have you made segmentation a customer facing reality?



Q.15. How have you made segmentation a customer facing reality?



Findings

30% of the total responses given by the companies surveyed, show that these companies have made segmentation a customer facing reality by aligning the sales team. Another 28% of the responses show that these companies have done this by understanding the company's capabilities/competencies. While another one-fourth of the responses show that respondents stated that they have done this by using insights based on market intelligence.

Research Evidence

As evident from the research paper titled *'From Mass Production to Mass Customisation'* from *'Journal of Textile and Apparel, Technology and Management- Vol.1 Issue-2, 2011'*, during the era of mass customisation, product development cycles will be extremely short relative to the era of mass production. Large homogenous markets are replaced by heterogeneous niches with fragmented demand. Each consumer will be able to alter products based on their individual needs and the capabilities of the producer; thus companies have to understand their own competencies/capabilities in terms of technology to make segmentation a customer facing reality.

☞ *“Companies should decide what processes and competencies they must excel at and specify measures for each”*. This quote by David P. Norton and Robert S. Kaplan lays emphasis on prioritizing processes and competencies for a company².

Thus to cater to the needs of target segments, suitable competencies must be possessed by companies. Liam McGee (2010), the CEO of The Hartford Financial Services Group Inc. also stresses how a customer focused strategy revolving around customer segments allows the company to capitalise on its competitive advantages.

☞ *“With the successful capital raise, repayment of the Treasury investment and customer-focused strategy, we are well positioned to move The Hartford forward with confidence to achieve what's ahead. The go-forward plan will focus the company around our customers, partners and The Hartford's strong brand. We will organize around our key customer growth opportunities: risk protection and benefits for businesses, wealth management, and consumer risk protection for affinity groups and select customer segments. The new go-to-market organization will allow us to better capitalize on our competitive advantages. We have a large and growing customer base; a broad and diverse product portfolio; and an enviable distribution network of agents, brokers and advisors. The Hartford's goal is to deliver sustained, profitable growth with strength, confidence, focus and discipline,”* - **Liam E. McGee, The Hartford Financial Services Group Inc.'s Chairman, President and Chief Executive Officer.** (Business Wire, 2010)

One-fourth of the responses show that companies surveyed use insights that they obtain from market intelligence to make segmentation a customer facing reality. The quote below shows the importance that Nokia places on consumer insights to create differentiated products for consumers.

☞ *“Nokia has really been with consumers for the last 20 years now. So, our consumer reports and insights into consumer behaviour help us understand them better and create differentiated and relevant products. We figured what consumers want – differentiated design, outstanding portfolio, a great camera, a host of quality apps, great music because we are a music loving country – we have a huge catalogue to offer and the last count was 8 million. We also have a differentiated design, and finally, we have navigation with localised experiences like the one we have on our Asha series.”* - **Vipul Mehrotra, Head of Smartphone Devices, Nokia IMEA** (Sahay, 2013)

²http://thinkexist.com/quotation/companies_should_decide_what_processes_and/346983.html

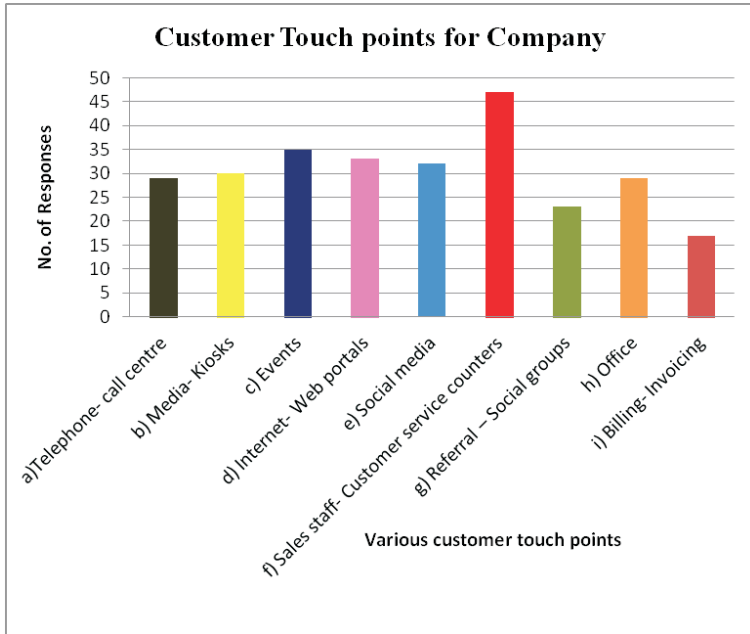


16

What are the various Customer touch points for your company?



Q.16. What are the various Customer touch points for your company?



Findings

The touch-points that have received a larger share of responses are 'Sales staff through Customer Service counters' (mentioned in 17% of total responses) followed by 'Events' (mentioned in 13% of total responses) and Internet-Web portals and Social media (each mentioned in 12% of total responses). Thus Internet and Social media together constitute 24% of the touch points adopted by respondent companies which support the 'Paradigm shift in Marketing from operating only in Physical Market-place to operating in Cyberspace'.

☞ *Quoting the importance of customer service, Jeff Bezos, CEO, Amazon.com, aptly mentioned "We see our customers as invited guests to a party, and we are the hosts. It is our job everyday to make every important aspect of the customer experience a little bit better."* (as cited in Meyer 2010)

Touch-point is the business jargon for any encounter where customers and business engage to exchange information, provide service, or handle transactions. For example, a customer has vast possibilities to get in contact

with a bank. Touch-points in banking can include client service advisors, receipts, events, offerings, financial expert reports, website, intranet, IT-systems, research reports, sponsoring, word of mouth, e-banking, regional office or contacts by phone with the client service advisors.

Having online touch-points through traditional online media like websites or through social media also enables an organisation to increase sales as you can either reach to a wider customer base or make it easier for existing customers to reach out to the organisation.

🗣️ *By helping our customers maintain a solid and growing presence on the Internet, they have been able to maintain sales goals and create more customer touch points online. Now, they can really pump up the business in 2010."*

- James Bradford, President, TK Carsites, a premier website providers for auto retailers (PR Newswire, 2010)

The demographic and behavioural shift in consumers has led to a younger generation of consumers who are techno-savvy and constantly connected through multiple online touchpoints. This makes it imperative for companies targeting this audience to have a strong virtual presence which can be accessed by consumers through various handheld devices.

🗣️ *"Our mobile advertising platform opens a new channel for brands to communicate with this 'mobile only' Internet generation, as well as those 'digital omnivores' who engage with multiple online touchpoints throughout their day."*

-Jeff Cordeiro, President, Q Interactive, a leader in online customer acquisition (PR Newswire, 2012)

RESPONDENT COMPANY PRACTICES

- **ICICI Bank:** ICICI Bank has a unique way to acknowledge customer complaints; they consider the Online Complaint Box as a Touch point to reach out to customers. Customers who post a complaint here are immediately thanked with a message. "Your messages encourages us to Serve You Better"
- **Titan:** Titan organises events around their products. One such example is when Bollywood actress Shraddha Kapoor launched Raga Pearls Collection of watches. Shraddha Kapoor was very popular as her movie had just released. Thus they used a combination of event and celebrity endorsement to reach out to customers.



Handwritten text on a red card, possibly a name or message.

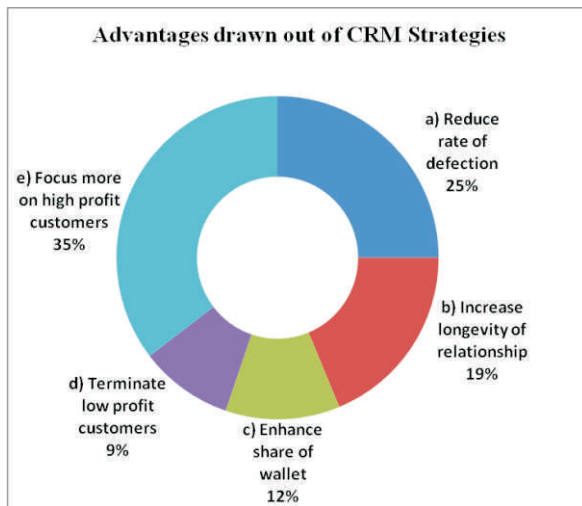
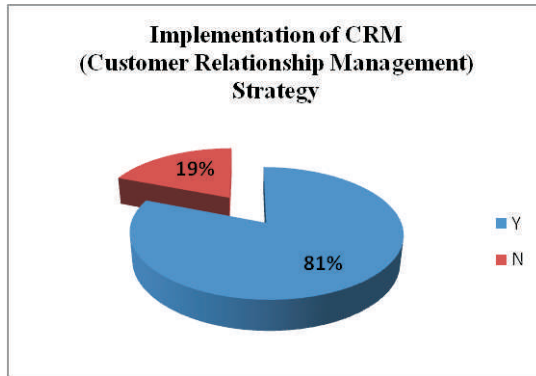
Partial text on a white card, including the letters "S" and "La".

17
Q

Have you implemented CRM (Customer Relationship Management) Strategy? What advantages do you draw out of your CRM strategy?



Q.17. Have you implemented CRM (Customer Relationship Management) Strategy? What advantages do you draw out of your CRM strategy?



Findings

81% of the total responses showed that companies have implemented CRM (Customer Relationship Management) Strategies. 35% of the responses show that companies feel that the biggest advantage of having a CRM strategy is that they can 'focus more effort on high profit customers'. This reflects the 'Paradigm Shift in Marketing form Transactional to Relationship Marketing' and '*Paradigm Shift in Marketing form Product-centric to Customer-centric approach*' which shows the approach of companies towards CRM. Another 25% of the responses show that respondents have mentioned that CRM strategies have helped them to 'reduce the rate of defection'.

What exactly is CRM?

“CRM is the process of managing all aspects of interaction a company has with its customers, including prospecting, sales and service. CRM applications attempt to provide insight into and improve the company/customer relationship by combining all these views of customer interaction into one picture”. - **Martinsons, A.G.B. and Martinsons, M.G. (1994) as cited in Buttle (2009)**

Research Evidence

In the research paper by Christian Gronroos, *“From Marketing-mix to Relationship marketing: Towards a Paradigm Shift in Marketing”*, ManagementDecisions, Vol. 35, Iss. 4 pp. 322-339, the author says that long term relationships where both parties (company and the customer) over time learn how to best interact with each other, lead to decreasing relationship cost for the customer as well as for the supplier or service provider. The relationship cost theory, as suggested by Gronroos is based on literature on quality cost and transaction cost.

Further the author mentions that in industrial marketing and services, managing distribution channels and even consumer packaged goods marketing itself, a shift is clearly taking place from marketing to anonymous masses of customer to developing and managing relationships with customers. This supports our findings of primary data that majority of firms adopting CRM strategies so that they can 'focus more on high profit customers'.

As seen earlier 35% or one-third of the respondents of the company feel that CRM strategies help to focus on high profit customers. Gail Kelly (2011), the Chief Executive of Westpac Bank shares this sentiment and sees it to be beneficial especially during a slowdown.

INDUSTRY PRACTICES

Analytical CRM at AXA Seguros e Inversiones (AXA)

“Spanish insurer AXA Segurose Inversiones (AXA) has revenues of over €1.8 billion (US\$2.3 billion), two million customers and is a member of global giant The AXA Group. AXA runs marketing campaigns in Spain for its many products and services. The company wanted a better understanding of its customers, in order to be able to make more personalized offers and implement customer loyalty campaigns. AXA used CRM vendor SAS's data mining solution to build a predictive policy cancellation model. The solution creates profiles and predictive models from customer data which enables more finely targeted campaign management, call centre management, sales-force automation and other activities involved in customer relationship management. The model was applied to current and cancelled policies in various offices, to validate it before deploying it across Spain. Moreover, the model was used to create two control groups (subdivided into high and low probability) that were not targeted in any way, while other groups, similarly divided into high and low probability, were targeted by various marketing actions. The outcome was that the auto insurance policy cancellation rate was cut by up to nine percentage points in specific targeted segments. With the customer insight obtained from the model, AXA is now able to design and execute personalized actions and customer loyalty campaigns tailored to the needs and expectations of high - value customers.”

(Compiled from Buttle F., 2009)

INDUSTRY SPEAK

☞ *"Deeper customer relationships, measured by customers with four or more products, are a real strength at a time of more subdued economic growth."*

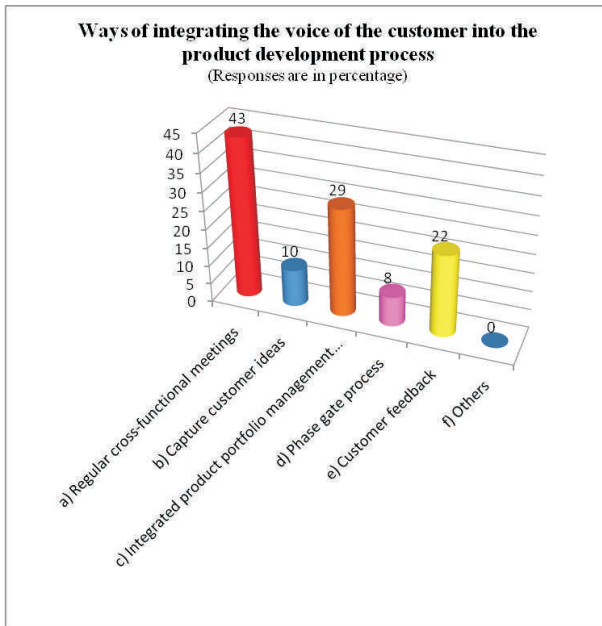
- Gail Kelly, Chief Executive, Westpac Bank (ABC News, 2011)

18

How do you integrate the voice of the customer into the product development process?



Q.18. How do you integrate the voice of the customer into the product development process?



Findings

38% of the responses showed that these respondent companies hold 'regular cross-functional meetings' to integrate the voice of the customer into the product development process. Another 26% showed usage of 'integrated product portfolio management platforms' while 20% showed usage of 'customer feedback' for the same.

Nowadays companies are actively engaged in integrating the voice of the customer in their product development process in view of the customer-centric orientation of marketing. The responses to this question address the process that companies follow to accomplish the above purpose and as indicated in the pie chart above 38 % of the total responses by respondent companies integrated the voice of the customer in their product development process through 'regular cross-functional meetings' which may facilitate sharing of opinions on various customer view-points by employees from cross-functional domains. Thus new product ideas, product modification and product improvement suggestions may come from various cross-functional sources.

The second most adopted method (as seen in 26% of total responses) is 'Integrated product portfolio management platforms' which may allow for the voice of customers to be integrated into product development process through software meant for product development process or by outsourcing these activities to product portfolio management service providers who use these software. As we can see below how ideas from the customers captured through the Verizon Idea Exchange software is integrated with the product development process and is part of the input sent to product development teams.

☞ *"We know that **staying close to our customers** is the best way to identify emerging opportunities for new features and services. The new **Verizon Idea Exchange enables open innovation** by allowing anyone to submit ideas, collaborate with others to refine the idea and vote on ideas. What's unique here is that **these ideas will be an integral part of our product development process** and go directly to our product development teams. The result will be crowd-sourced ideas that have the potential to make a big impact on future Verizon products and service."*

- **Mark Studness, Verizon E-commerce Director (PRNewswire, 2010)**

Around one-fifth of the responses showed the use of 'customer feedback' to incorporate customer wants or concerns into product development. Sage Millennium uses customer feedback as an “essential building block” to product development.

☞ *"Customer feedback is an essential building block to our product development. We conduct numerous studies, allowing users to interact with the software and provide feedback on usability, terminology, relevance, and, most importantly, their needs and expectations. Based on feedback, we make changes as we develop future versions of Sage Millennium to help ensure we continue to meet our current customer and the overall market's needs."*

- **Susan Blakely, user-centered design manager for Nonprofit Solutions at Sage (IBN, 2010)**

INDUSTRY SPEAK

🗣️ GIVING CUSTOMERS AN ONLINE OUTLET TO VOICE THOUGHTS

“Today’s customers are very sophisticated and demanding—they expect their voices to be heard. In this age of social networking, customers are blogging and sharing product information on sites such as Facebook, MySpace and Twitter, giving retailers tremendous potential to collect valuable feedback. Real-time digital feedback helps designers to assess the latest trends, so they can lower their risk when creating new product concepts. Successful retailers and brands, such as Nordstrom and Victoria’s Secret, have recognized that giving customers an online outlet to voice their thoughts can lead to higher brand loyalty and lower risk in missing trends.”

– Mitford (2010)

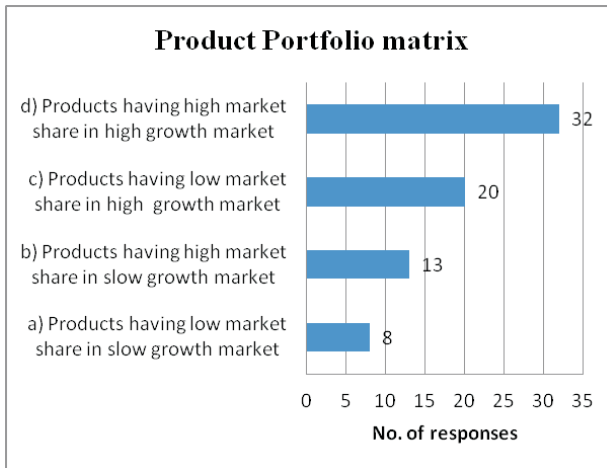


19

If we plot the relative market share and the market growth rate on the x axis and y axis respectively, we would get a four quadrant matrix with the quadrants mentioned below. To which of these quadrants given below would most of your products belong?



Q. 19. If we plot the relative market share and the market growth rate on the x axis and y axis respectively, we would get a four quadrant matrix with the quadrants mentioned below. To which of these quadrants given below would most of your products belong?



Findings

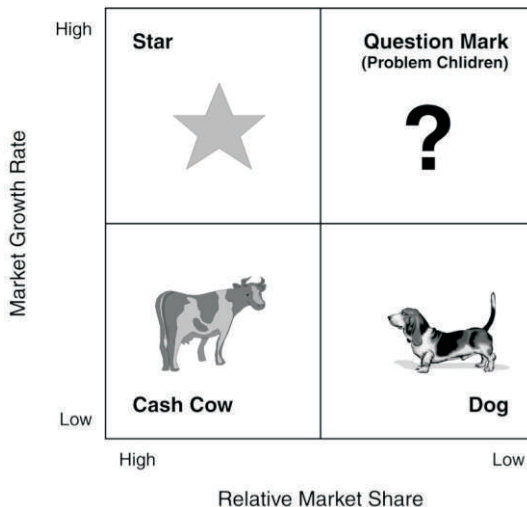
Almost close to half of the respondent companies (i.e. 44%) stated that most of the products in their portfolio fall in the quadrant of “Products having high market share in high growth market”. Another 27% of respondents mentioned that most of their products fall into the quadrant of “Products having low market share in high growth market”. Hence we can say that most respondent companies (i.e. 71%) operate in high growth markets.

Findings explained using 'Product Portfolio' theory which forms the basis for the question:

This question originates from the concept of 'Product Portfolio' developed by Bruce Henderson the founder of the Boston Consulting Group in his influential paper 'The Product Portfolio'. Through the paper he explains how successful companies manage product portfolios with products having different growth rates and different market shares. He used the terms of Stars, Cash Cows, Question Marks and Pets to classify products broadly into four categories depending upon their relative market share and industry growth rate. Relating this to the question:

- a) Products having low market share in a slow growth market are termed as 'pets'. They may either not be generating profit or may show small profit, but the profit needs be reinvested to maintain the market share of the product, thereby not generating any extra cash flow. In our survey 11% of the respondents have mentioned that most of their products fall

- under this category.
- b) Products having high market share in a slow growth market are termed as 'cash cows'. Cash cows generate large amounts of cash; even after reinvestment of some part of profit into maintaining market share, there is surplus cash. 18% of our respondent companies have mentioned that most of their products fall in this quadrant and hence can be termed as cash cows.
 - c) Products having low market share in a high growth market are termed as 'question marks'. Lot of money needs to be invested into question marks to improve their market share or to even ensure that they survive in the market. At times this could happen if the products are in the introductory stage in the product life cycle. As we can see from above 27% of respondent companies have most of their products falling in this quadrant and hence it becomes important for these companies to realise that these products are drawing on a lot of resources of the companies. The companies should aim to convert these products into market leaders thereby shifting them to the next quadrant being discussed.
 - d) Products having a high market share in a high growth market are termed as 'stars'. While stars generate profits, they require a large investment to maintain their market share in a high growth market. Eventually if the market share is maintained, stars could generate large cash flows when the market growth slows down. Close to half (i.e. 44%) of our respondent companies have most of their products in this quadrant. Companies should aim to convert stars in cash cows when the market growth rate slows down.



INDUSTRY PRACTICE

Hindustan Unilever's Product Portfolio

Pet / Dog: Wheel, Breeze and Modern Bread exist in a low market growth rate and have low market share.

Cash Cow: AXE, Vaseline, Bru, Red Label, Closeup and Pears are cash cows with high market share but low growth rate of industry.

Question Mark: Rin, Pepsodent, Sunlight, Domex, Pureit can be put into the question mark category with high market growth rate but low market share.

Star: Lux, Sunsilk, Fair & Lovely, Kissan, Ponds, Vim and Surf Excel can be categorized as star products with high market share and high market growth rate.

RESPONDENT COMPANY PRACTICES

The following respondent companies have brands that fall into the 'star' quadrant i.e. they have high market share in a high growth market:

- Volkswagen: Polo, Audi Q5, Vento, Audi A3
- Eureka Forbes: AquaSure, Euroclean
- Raymond: Color Plus, Parx

20

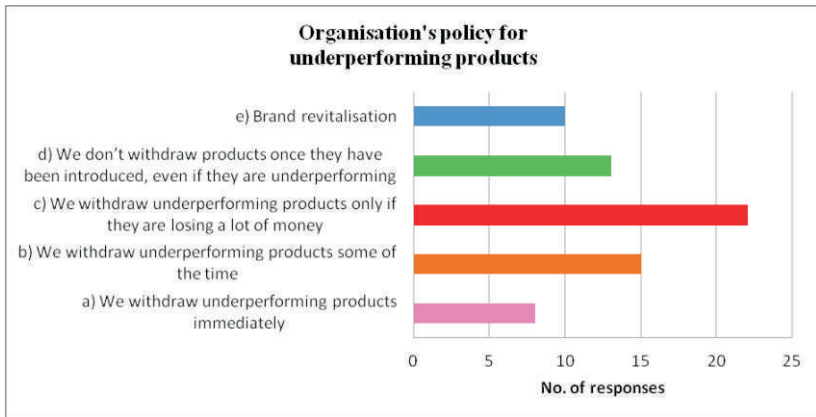
Which of the following statements best describes your organisation's policy for underperforming products?



Weed out??



Q.20. Which of the following statements best describes your organisation's policy for underperforming products?



Findings

Product failures are a part and parcel of marketing efforts. However different companies tend to adopt different strategies to combat or prevent product failures depending upon the markets in which the underperforming products operate. While answering the question on the organisation's policy for under-performing products, 32% of the respondent companies said that they withdraw under-performing products only if they are losing a lot of money, while 22% of the respondent companies withdraw under-performing products some of the time and 19% of the companies said they don't withdraw underperforming companies even if they are underperforming.

Due to a limited understanding of the customer, one-half of consumer products companies, financial services and manufacturing companies say that they find it difficult to decide which products to phase out and which to retain. Firms often launch and retire products and services on a piecemeal basis, without much thought to the overall product portfolio. Firms tend to introduce new products and services faster than they get rid of old ones, expanding the product and service portfolio to an unsustainable size (This paragraph draws from Armstrong, 2007).

Findings indicate that companies withdraw under-performing products mostly when they are incurring heavy financial losses, while only some others withdraw such products intermittently and some others in turn allow these products to continue in the market.

P&G is considering withdrawal of this products which have not been performing well and which don't fit in strategically. Business analysts have been speculating that some of the brands which might be withdrawn include **Duracell batteries** and **Iams** and **Natura** brands of pet care products (Monk, 2013).

INDUSTRY SPEAK

☛ *“Procter & Gamble Co. is looking to sell under-performing business units. Already been through the portfolio in detail, already discussed with the management team, already discussed more than once with the directors and board. We're on it. We know what doesn't fit strategically and what does. We know what's under performing and what's performing. They will involve products that on a combined basis represent less than 10 percent of P&G sales.”*

-CEO A.G. Lafley (Monk, 2013)

RESPONDENT COMPANY PRACTICES

- **Shoppers Stop:** Shoppers Stop intermittently withdraws from its stores, some of its private Labels which are not performing well
- **Rolta India:** Rolta India is moving away from Software Development & BPO Services.

ALL ITEMS

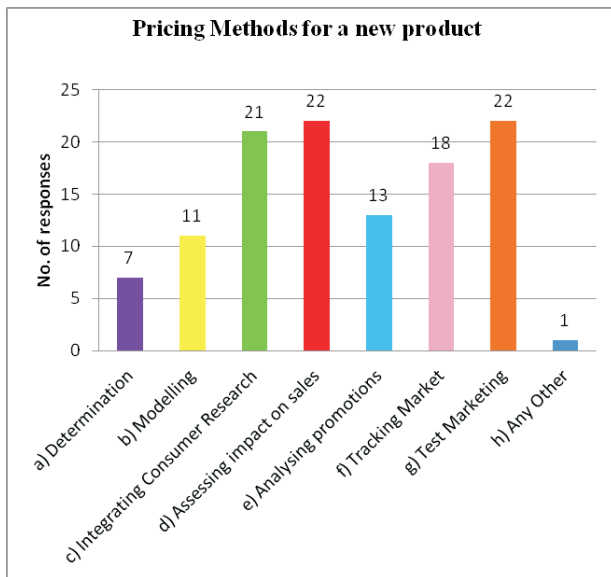
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4 FOR 10

21

How do you price a new product?



Q.21.(I) How do you price a new product?



Findings

Responding towards pricing strategy for new products the options which received maximum responses are 'Test marketing' and 'Assessing impact on sales' with both getting 19% of the total responses each. A close second is Integrated Consumer Research as seen in 18% of the total responses. Together these three options constitute more than half of the total responses (56%).

Pricing a product is both an art and a science. Pricing a product is not just about recovering your costs or making profits. Pricing today is a very complicated decision and some of the considerations in pricing include getting the “value/price combination” correct, a strong understanding of consumer behaviour, impact of environmental factors on consumer buying behaviour and studying competitors' pricing moves. The turbulent market environment and the dynamic nature of buyer behaviour, is forcing companies to do a lot of homework. They study the market through market research and implement proactive strategies for product launches or re-launches, unlike earlier times when no such research except for demand estimation was done prior to product launches.

Test marketing involves examining the adoptability and performance of a

product or service in a particular demographic or geographic segment of market by offering the product/service to consumers in this test market and obtaining reviews, feed-backs and analysing the sales performance before launching it in a wider market. In order to fight back products from the grey/unbranded market, last year ITC Ltd. re-entered the 64-mm small-filter cigarette segment. Before launching two products, it test marketed them in Uttar Pradesh and Bihar. These products were launched under Gold Flake and Capstan brands and were priced at Rs2.5 per stick and Rs2 per stick, respectively. The 69-mm size versions were sold at Rs4.5 and Rs3 (Sharma S. 2013).

To assess the impact on sales, companies will have to check the price elasticity of demand for the product to understand how the pricing strategy will influence demand for the product and eventually sales of the product.

Integrated consumer research implements various market research tools and techniques to gather consumer insight to aid the launch or re-launch of a product or service as is seen in the example of the introduction of Oreo biscuits in China.

INDUSTRY PRACTICE

GETTING THE PRODUCT AND PRICING RIGHT WITH CHINESE CONSUMERS

Oreo was launched in China in 1996 with the implicit assumption that what made it successful in its home market, US would be a winning formula in any other market. However, even after a decade in China, Oreo cookie was not doing really well and Kraft even considered pulling Oreo out of the Chinese market altogether.

In 2005, Kraft decided to a research among the Chinese consumers to understand why the Oreo cookie that was so successful in most countries had failed to resonate with the Chinese consumer. Research showed them that the Chinese were not historically big cookie eaters. Chinese consumers liked the contrast of sweet and bitter but "they said it was a little bit too sweet and a little bit too bitter". Also 72 cents for a pack of 14 Oreos was too expensive for the value-conscious Chinese.

Kraft's Chinese division used the information from the consumer research to modify the recipe, and made the cookie more chocolatey and the cream less sweet. Kraft developed 20 prototypes of the new Oreos and tested marketed them with Chinese consumers before arriving at the right taste. They introduced smaller packets for just 29 cents to cater to Chinese buying habits. The changes had a positive impact on sales.

(This example draws from Clements et al, 2013)

Retailers are experimenting with new ways of determining what their goods should cost. One method involves doing research and asking customers how much they would be willing to pay.

INDUSTRY SPEAK

- ☞ *“We sent computer-generated images of products not yet in stores to customers and asked them what they would pay for the items.”*
- **Stephanie Scheele, Senior Director of Intelligence, Vera Bradley**

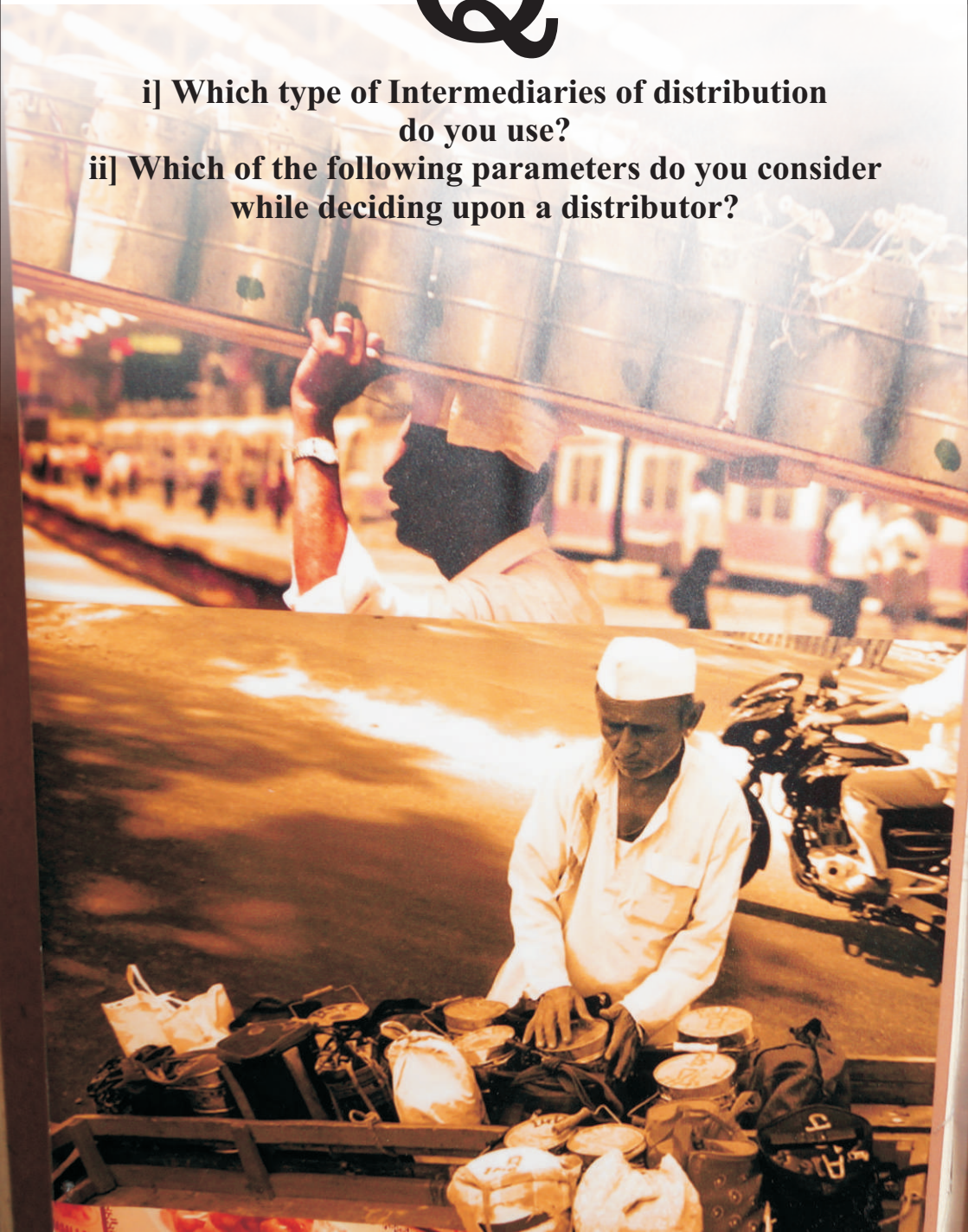
- ☞ *“Getting the initial price of an item right is among the most important tasks for any consumer-product company. More than two-thirds of new products fail in their first year, in part because they are mispriced.”*
- **Hans-Willi Schroiff, Visiting Professor, Tuck School of Business**

- ☞ *“What is the intrinsic value of a skirt? It's very difficult for anyone to determine. Retailers try to "frame" a product by giving it a high initial price. Pricing an item too low at the start can signal that it isn't worth much. But the practice has led to a cycle of discounting that has frustrated retailers and confused consumers.”*
- **Z. John Zhang, Marketing Professor, University of Pennsylvania's Wharton School**

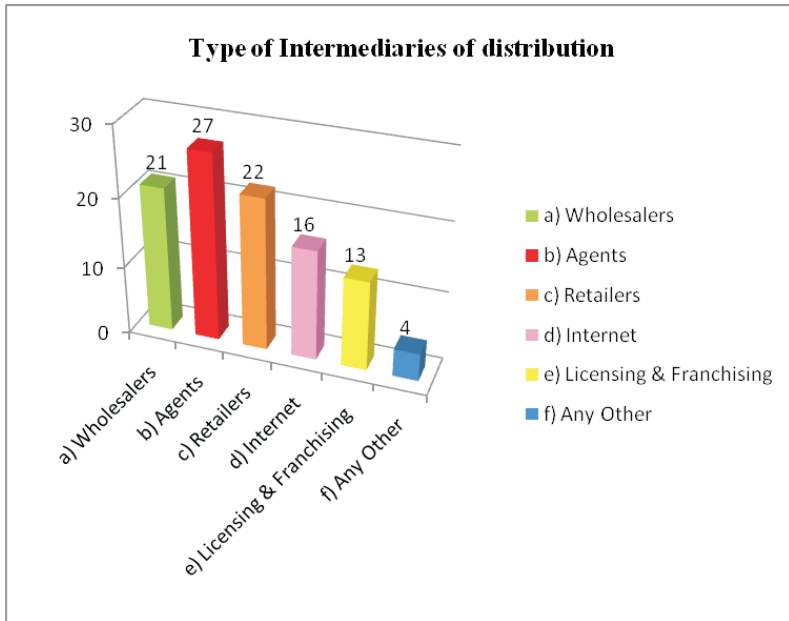
- ☞ *“We need to become more sophisticated in the way we price goods,”*
- **Matthew Rubel, Director, First Insight**

First Insight conducts research and compiles consumer feedback to create a value score for each item a company sells. Those with a higher score could command a higher price and go on sale less frequently. David's Bridal, America's largest bridal retailer has started revamping its pricing strategy based on the research inputs from First Insight (Kapner, 2013).

- i] Which type of Intermediaries of distribution do you use?
- ii] Which of the following parameters do you consider while deciding upon a distributor?



Q.22. i) Which type of Intermediaries of distribution do you use?



Findings

Responding for the type of Intermediary used, 26% of the responses show the use of 'Agents' as intermediary, also retailers and Wholesalers are preferred as seen in 21% and 20% of the responses respectively. Internet as an intermediary, which is gradually gaining popularity as mentioned in 16% of total responses and this indicates *Paradigm shift from operating only in physical market-place to operating in cyberspace as well.*

Different types of intermediaries are involved to distribute goods from manufacturer to customer. These intermediaries are a part of supply chain keeping the supply chain flowing. The intermediaries add value in reference to time and place by covering the market while reducing the cost of coverage to the manufacturer, making cash available in the form of credit, makes sure the availability of the products, arrange for storage, thus supporting the sales process and enhancing the convenience to the manufacturer and the customer.

INDUSTRY SPEAK

☛ *“The partnership with Via.com is strategic as it extends our reach in India, a key market for Tiger Airways. Besides direct flights to Singapore, Tiger Airways provides great connectivity within our wide network of over 50 destinations across 13 countries in the Asia Pacific. By tapping on Via.com's extensive pool of travel agents, we are thrilled to offer Indian travellers good value travel deals, greater accessibility and a more convenient payment system. We look forward to building upon our brand presence in this country.”*

- Kaneswaran Avili, Commercial Director, Tiger Airways Singapore (IndiaDigitalReview.com, 2012)

Agents – are the marketing intermediaries who are either independent company or an individual legally allowed to represent the manufacturer who is the owner of a product. The basic function of an agent is to get the buyer and seller together. On commitment of business, agents get commission for example a real estate agent or insurance agent.

Retailers – are the intermediaries who sell several products manufactured by different manufacturers at one place. They work closely with the customers as well as with wholesalers or distributors. Retailers can be found in various sizes from a small grocery store to large chains. They buy goods from the wholesalers/distributors and sell them to customers for profit.

Wholesalers – are independent entities who buy from the manufacturers and own goods in turn selling them to retailers. They own storage places and stock goods in bulk. They deal with products from several manufacturers and generally would deal with one or two types of products. Wholesalers have sufficient knowledge about their market, have access to information on the practices in vogue, hence carry risk in managing the ultimate supply and demand of the product.

Most of the service firms operate through agents while second preference goes to retailers who have their outlets and they buy company's products in bulk and sell it to end customer, usually consumer goods manufacturing companies go for retailers as intermediary.

Wholesalers are usually preferred by large scale manufacturers who sell bulk quantities to the regional retailers form various sales territories.

RESPONDENT COMPANY PRACTICES

- **HDFC Mutual Funds:** Respondent Companies like HDFC MF they have tie ups with agents, who work for them on commission basis.
- **Lodha group:** It has various agents, brokers as well as sales persons who acts as distribution intermediaries and sells flats for the company.
- **Raymonds:** The company has its own chain of retail outlets, but it also sell its products through various other retail outlets.
- **Airtel:** The telecom operator sells its mobile SIM cards and other products through retailers.

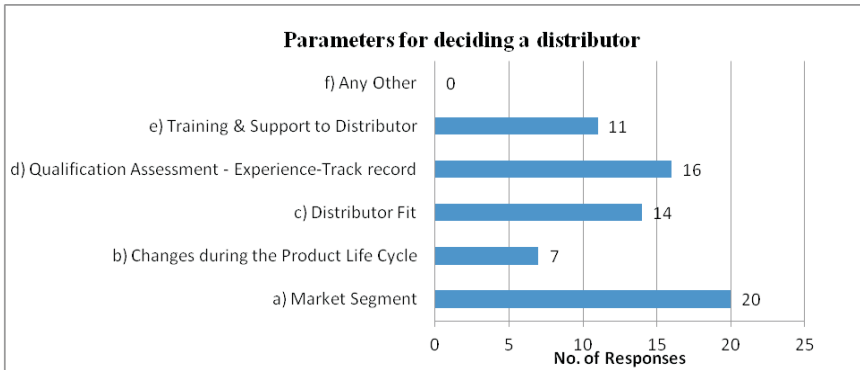
INDUSTRY PRACTICES

(Life Insurance Corporation of India) LIC: LIC has its own agents, who sell insurance policies for the company.

Procter and Gamble (P&G) and PepsiCo sell its products by intensive distribution through retailers.

Jaypee Cement creates a push on its wholesalers, by offering special discounts to them, if they keep on ordering a particular quantity every month.

Q.22. ii) Which of the following parameters do you consider while deciding upon a distributor?



Findings

Strong representation of manufacturer's product or brand in the market carries lot of significance. Distributor as an entity is responsible to reach the product to the store enabling the customer to buy the same. Distributor acts as an extension to the manufacturer who reaches the product to a wider audience. Distributor evaluation is of great importance as it can make or break the future business. Selecting the right distributor is vital to business success. Wrong distributors may be difficult to change later. The crucial factor is to have a positive relationship, an open communication and high level of trust between a manufacturer and distributor.

Different companies adopt various standards to decide upon their distributors. In this study, 29% respondents take their distributor decisions on the basis of the 'market segment'. A distributor gets selected provided he is conversant with the segment of the market and product, has the knowledge about the local market, having an ability to forecast with accuracy the future sales and can track the changes in the needs of a customer. The capability to carry the product mix, having a sales force to generate leads and if required technical competence carry more weightage in the selection process of a distributor.

Another crucial aspect for a company to select a distributor is the qualification in terms of warehouse space, readiness to carry threshold level inventories, having a well qualified sales force with a commitment of resources, appropriate communication and prompt payment, service giving ability that supports loyalty. 24% respondents decide upon their distributors through qualification assessment- experience- track record while 21% respondent firms decide on the basis of distributor fit.

RESPONDENT COMPANY PRACTICES

According to our study and the primary data collected, it was found that service based companies like **Airtel** as well as consumer durable manufacturers like **Volkswagen** decide upon their distributor based on their market segment i.e. the distributors who have good know-how of the target market and know the pulse of market segment are preferred.

On the other hand, service sector firms like **India bulls** as well as **Titan Industries** in consumer durable segment, decides upon its distributors based on 'qualification assessment', track record and their experience in distributorship.

INDUSTRY PRACTICES

Zara, a premium brand in apparel category, when planned to open a store in Mumbai, they chose location for their store at Palladium Mall in Lower Parel, a mall which is made exclusively for premium & luxury brands. This indicates focus on 'market segment' for distributor decision.

Blum, a premium hardware brand, had chosen Häfele as its distributor in India, because Häfele is also a premium brand & targets this market segment.



(I) Do you believe that your organisation has good enough procedures to select and evaluate suppliers?

ii) Which factors do you use to select suppliers?

Supplier Evaluation

Quality

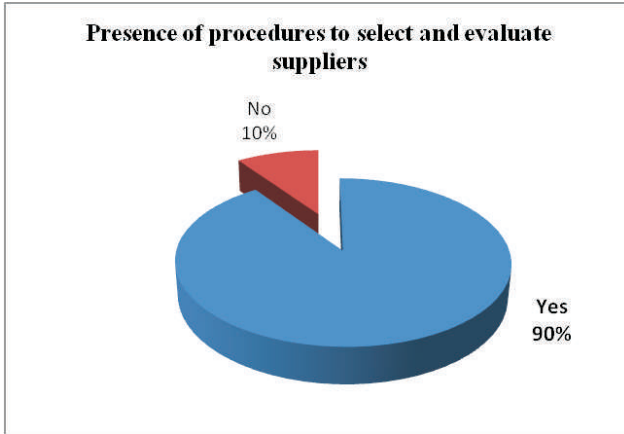
Logistics

Costs

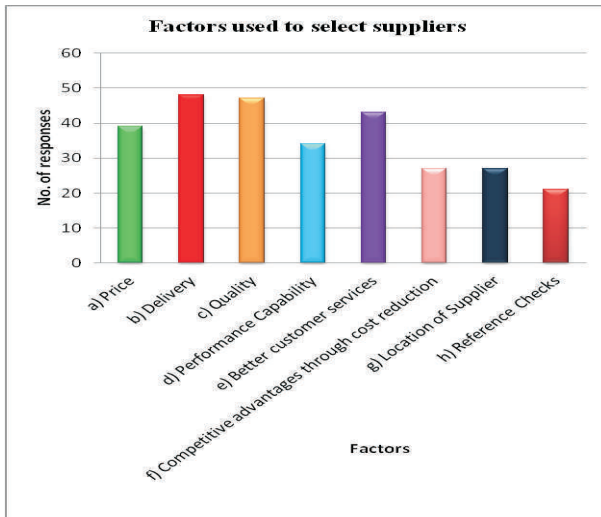
Innovation

Motivation

Q.23. (i) Do you believe that your organisation has good enough procedures to select and evaluate suppliers?



ii) Which of the following factors do you use to select suppliers?



Findings

According to the findings, a vast majority of responses (90%) shows that respondent companies believe that they have good enough procedures to select and evaluate suppliers. Among the factors they use to select suppliers, 'delivery (availability and shipping time frame)', 'Quality (Certified vendors)' and 'better customer service' are rated important as seen in 17%, 16% and 15% of total responses respectively.

Companies have multi-criteria to evaluate, select suppliers that includes qualitative and quantitative parameters such pricing, quality, technical ability, performance, experience etc. At times with a strategic perspective to reduce the number of suppliers the company is open for trade-off between these tangible and non-tangible parameters, for example if faster turnaround is a priority then cost alone cannot be considered as a parameter.

The vendor selection process can at times become complex and emotional utilizing financial resources of the company. It is fundamental to a business to get a supplier who is reliable and competitively priced. A company has to make sure the working relationship should be productive hence the evaluation and selection leads a company to select a desired supplier. To simplify, companies generally aim at reducing cost and increase overall value of purchasing.

Supplier evaluation and selection process



[R. M. Monczka, R. Trent, and R. Handfield, Purchasing and Supply Chain Management, International Thomson publishing, 1998.]

Companies evaluate suppliers on three broad competencies viz. Relationship competency – planning, contracting, organisational design, leadership, on delivery competency – governance, program management, business management, domain expertise, on transformation competency – technology exploitation, process improvement, sourcing etc. There are certain competencies that overlap.

RESPONDENT COMPANY PRACTICES

- **Aditya Birla Retail (More)**, Monginis Foods Pvt. Ltd. & Pepe Jeans are the respondent firms which select and evaluate their suppliers based on delivery' criteria.
- **Vijay sales and India Bulls** select their supplier based on 'quality' criterion which may include certified vendors.
- **Eureka Forbes, Airtel & Godrej Precision** select and evaluate their suppliers based on 'better customer service'.

INDUSTRY SPEAK

☛ *“How We Select Our Suppliers - New Supplier Assessment and Qualification Process”*

All potential Suppliers will be assessed utilizing a standardized process through the use of our Supplier Assessment tool. The aim of our assessment process is to allow an assessment team to get a comprehensive, constructive and objective view of the supply base.

Choosing the right supplier from the start, with integral cost in mind at the beginning of new project activities, is essential to ensure that the long term supply of products at the right price, quality and service levels. The aim of this supplier assessment tool is to estimate the total quality environment of the supplier—vision and alignment of resources, focus-five ability, quality systems and continuous improvement as well as process control and improvement. The assessor, using our tool, will look at product development capability, financial well being of the company, ethical business practices and competitive concerns as well.

Criteria in the score sheets are weighted according to importance to finding the right suppliers and there is, in theory, no minimum score of acceptance or failure for suppliers assessed with our tool. The assessment tool in itself offers a roadmap to excellence for suppliers and a guide for sourcing organization to follow on supplier improvement action plans and follow up audits.”

– Measurement Specialities

☞ *“Successful companies embrace their suppliers and vendors, viewing them as partners in helping to grow the business. Making sure that this is a mutually beneficial partnership will impact the price you are negotiating today and the quality of service you get in future”*
- **Dennis Wright, Management Consultant, SCORE Orange County office (Brown, 2010)**

☞ *‘We look at a couple of driving metrics to evaluate how good our vendors are including percentages of on-time performance, number of times we received a quality part or product, and how quickly the vendor responded to requests for quotes.’*
- **Drew Greenblatt, President, Marlin Steel Wire Products (Brown C., 2010)**

☞ *“Supplier lead-time at Measurement Specialties is measured as the total number of PO lines delivered on time (0 days late, 5 days early). Lead-time is inclusive of our supplier's manufacturing cycle time and the transit time for product to get into our facilities. We encourage our suppliers to propose or work with us on Supplier-owned inventory programs. We are also open to helping you reach our lead-time goal via Kanban, pull-systems programs”.*
- Measurement Specialties

☞ *‘It's really about if the supplier has a certain set of procedures in place that its people are expected to follow. Is there a system for handling complaints or problems? Are there corrective or preventive actions?’ Such standards will be addressed if the vendor is ISO certified.”*
- **Miriam Boudreaux, president of Mireaux Management Solutions (Brown, 2010)**

☞ *“Medtronic suppliers are a key component of our business. It is essential that we partner with suppliers who can help us extend our Mission – to alleviate pain, restore health, and extend life. Medtronic has five core tenets around which we manage supplier relationships:*

- *Quality*
- *Responsiveness*
- *Innovation*
- *Total cost*
- *Risk management*

We rely on our suppliers to be innovative in both practices and technology to help us meet our customers' needs now and in the future.”
- Medtronic

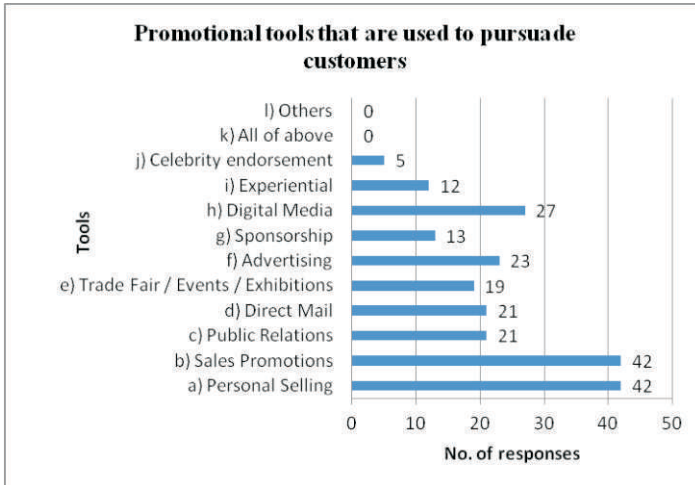




Which promotional tools are used to persuade customers?



Q.24. Which promotional tools are used to persuade customers?



The role of marketing is to create customers and in order to communicate about the product to the customers companies need to promote their products using various promotion tools.

INDUSTRY SPEAK

☛ *“We have created a new logo hunting sales team to mine new accounts. The hunting team’s mandate is to hunt for new logos - the logos we want but do not have yet - among the Fortune 2000. This will be playing out in the next 9-11 months. We have made significant investments into our hunting operations and we expect this will accelerate the pace of deal closures. We have designed a dedicated structure, which involves global client partners, solution architects, domain experts and delivery heads coming together to mine new accounts. To be effective, we have to hunt in a pack in the client organization. We have 137 people in the hunting team, many of who are new people we have hired. This is reflected in the rise in our sales and marketing expenditure last quarter.”*

-TK Kurien, CEO, Wipro IT (Tejaswi, 2012)

Personal Selling and Sales Promotion (19 % each) as promotional tools, cumulatively account for 38% responses by companies in our study. Personal selling is one such mode that companies prefer as two way exchange of ideas do happen in this communication, effectively understanding the preferences of the buyers, their belief and actions. The

cost incurred by the companies on an individual sales person is high though, it has very high influence on customers. Personal selling is generally used when a new idea or a complex one needs to be promoted and it allows a marketer to quickly adjust the delivery of message to suit the needs of the customer.

Sales promotion is another technique used by marketers for example – contests, free gifts, prizes, free samples, discounts, rebates. Buy-one-get-one, or buy the first at full price and the second one at half the price are the regular sales promotion techniques used. In case of medicines free samples are distributed by medical representatives to the doctors to get them prescribe, publishers giving specimen copies to lecturers so as to gain their recommendation in the school and college libraries.

INDUSTRY SPEAK

☛ What was the impact of the promotion on the sales and the brand?

“Consumer reaction was the most encouraging part - from surprise, to shock, to checking the mobile phone for a possible message, to calling a friend to say, "Hey... Hey... Look what I am hearing...!" to looking for the speakers behind the fridges etc. It roused curiosity and led to purchases. Same store sales literally doubled for Heineken. It also created an aura around Heineken -that it is a young, tech-savvy brand and bringing to the consumer something that was totally unexpected and something that has not been done before. It's a pioneering move and very innovative.”

- Samar Singh Sheikawat, Senior VP, Marketing, United Breweries (Bhattacharjee, 2013)

RESPONDENT COMPANY PRACTICES

Vijay Sales has a strong and competent personal selling team as well as Vijay Sales also promotes products at its outlet with various promotional offers and attractive combo-deals in all the electronic goods categories for various occasions like Ganesh Festival, Diwali, Gudi Padwa, New Year or Christmas.

Spykar usually promotes its apparels through discount sales which offers upto 60% of discount on its merchandise.

INDUSTRY PRACTICES

Exchange schemes' offering new in lieu of old is also sales promotion that can be seen for durable goods. **Marks and Spencer at Viviana mall** follows a practice of exchange for a product or the price paid is returned.

For industrial products generally trade fairs are the right places for promotion for examples – **Trade fair at Godrej campus**, Pragati maidan, Real estate exhibitions at MMRDA and other places.

Recently MNCs such as **Unilever, P&G, and J&J** are seen to be doing their promotion using contemporary techniques rather than using traditional media like TV.

Companies are creating events and parties using social platforms to do promotion for example **Smirnoff, Bacardi** have created an environment to advertise their products.

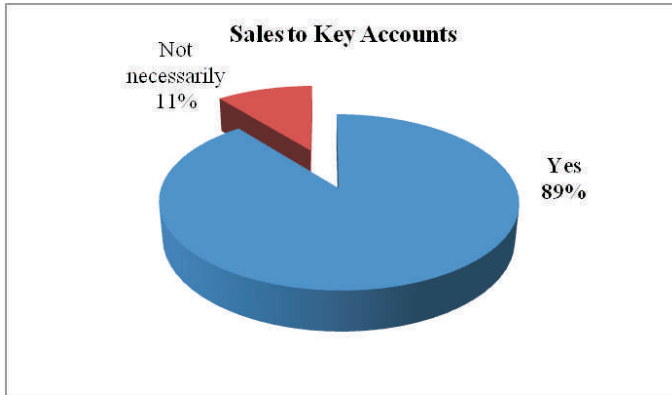


25
Q

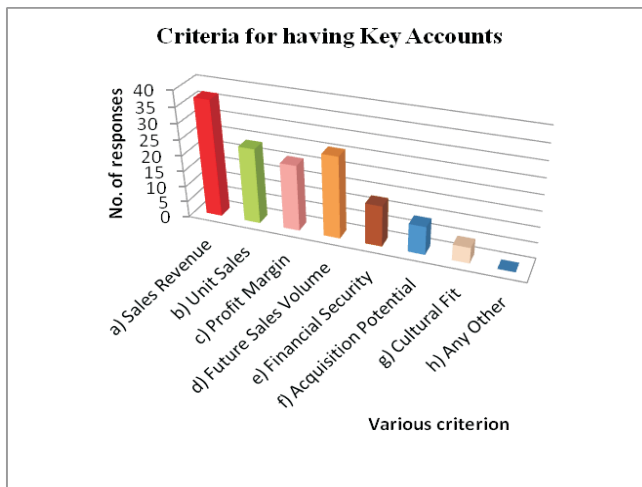
**Do you sell to key accounts?
What is the criteria for selecting key accounts?**



Q.25 [i] Do you sell to key accounts?



[ii] What is the criteria for selecting key accounts?



Findings

Key accounts are the customers that create major chunk of revenue for the company, at the same time represent a good opportunity for growth. These accounts represent a huge profit potential for the company. According to this study, a vast majority of 89% respondent companies agreed that they sell to key accounts against only 11% which do not sell to key accounts. The competitive nature of business warrants companies to develop key account and nurture them. Satisfaction of the key account is considered as sustainable strategy to increase bottom line and remain competitive in the market.

Answering on the criteria for having key accounts, 27% the total responses showed that 'sales revenue' was being considered as their key criteria followed by 'future sales volume' as preferred criteria seen in 19% of the responses.

INDUSTRY SPEAK

💡 *“When building our **Key Account Management** program the single most important step is selecting those accounts that should be part of the program. Selecting the wrong Key Accounts will cost you millions and that doesn't include the lost opportunity impact.... Review the last 3 years of actual volume or revenue in addition to the actual cost to support these clients (In many cases this reveals you're actually losing money on those accounts you thought were Key Accounts). Determine the cost and growth potential for these accounts for the next 3 years”*
– **John Staples, Principal, Sales Benchmark Index (Sales Benchmark Index, 2011)**

The key accounts buy from specific sellers not only because of capacity, service, innovation, on-time delivery, guarantees. Mostly they buy just because of just one thing and that is Quality – meaning time, money and risk. What is important for a buyer is the benefits and these benefits should have a tremendous influence to translate time, money and risk into buyer's business. Other factors than money are the ones that are not directly affecting the bottom line but they address the areas that improve the bottom line and the key performance indicators reveal the improvement on a time drawn basis for example – defective units, delays in delivery, on-time delivery rate, customer complaints, customer satisfaction level etc.

Key account management aims at developing relations with customers rather than just doing transactions. On repeat purchases the buyer develops confidence and trust about the seller, gradually turning out to be advocate of the seller's products. These key accounts have a lifetime potential, values high levels of service, and are ready to pay for it.

Revenue

60%

30%?

10%?

KEY ACCOUNTS

MAJOR
ACCOUNTS

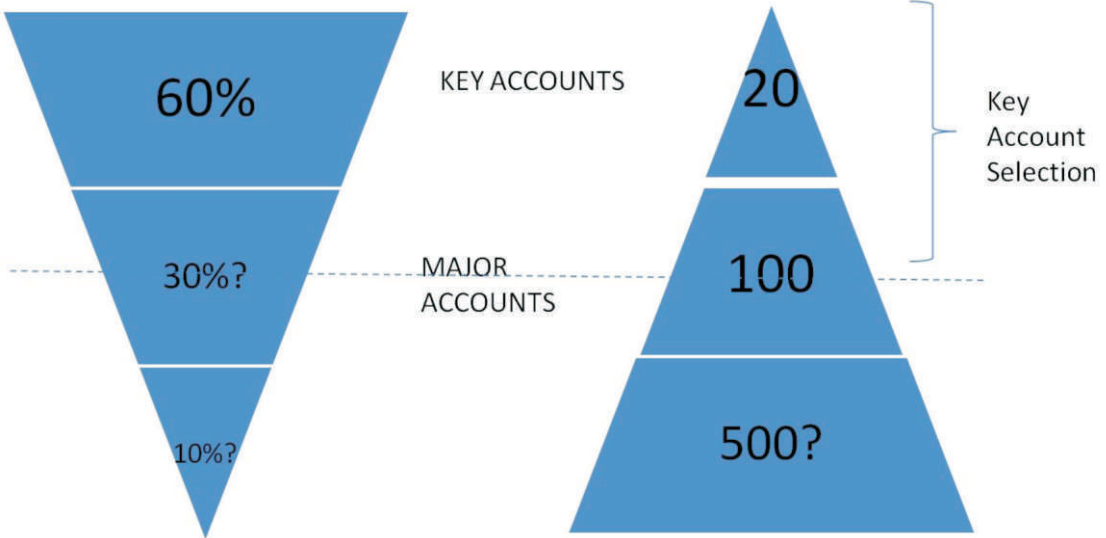
No. Customers

20

100

500?

Key
Account
Selection

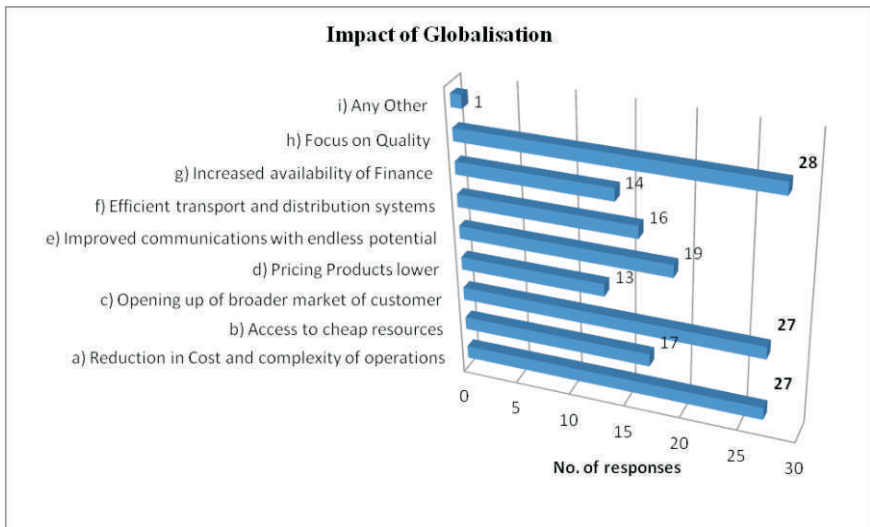




What is impact of globalisation on your company?



Q.26.What is impact of globalisation on your company?



Findings

Globalisation has opened the borders of the country exposing the companies to international competition with reduction in trade barriers and creating an environment to freely flow the goods, services and technology, resulting in reduction in cost as well as focus on quality. Also free movement of labour would be the result of globalisation.

Respondent Company Practices

Answering about the impact of globalisation on their company, respondent companies like **Datamatics, Volkswagen, Pepe Jeans, Aditya Birla Retail and Yes Bank** have identified that globalisation has resulted in reduction in cost and complexity of operations (17% of total responses), while respondent companies like **Titan, Indiabulls, Eureka Forbes and Highbar Technologies** believe that globalisation has opened up broader markets for them (17% of total responses) and for respondent companies like **3M, Datamatics, Yes bank, Heritage Foods and Godrej Properties** globalisation has resulted into enhancing their focus on quality (17% of total responses), all the three aspects together accounting for 51% responses.

Even in FMCG market, as a result of globalisation Godrej aims for strong growth by expanding into global markets as evident from the following quote by Chairman Adi Godrej in chairman's speech (2012-13).

☛ *During the year, our subsidiary, Keyline Brands Limited acquired Soft & Gentle from Colgate- Palmolive in the UK. Soft & Gentle holds the fourth position by market share in the female deodorant market in UK and has strong brand equity with retailers and consumers across the country. Our UK business continues to outperform the market and we believe that this acquisition will drive stronger growth going forward.”*

-Adi Godrej – Chairman Godrej, Chairman's Speech 2012-13

In order to compete in these global markets companies have started improving upon their efficiencies and quality. The Uruguay round of discussion on multi-trade negotiations held under GATT promoted free trade thus reducing or eliminating tariffs, canvassed on elimination of capital controls, and debated upon reduction in transportation costs. India followed all this meticulously by reducing tariffs every year.

In the early nineties, India opened its economy to the world giving and getting access to larger markets and international competition. This helped the companies to source quality resources at a cheaper cost thus increasing profits. To support this globalisation, technological advances have helped in mobility of capital, thus interconnecting communities and culture.

The low cost of production, capacity enhancement, technology support, competition, reduction in cost of labour lower prices to consumer, increased output and profits, availability of markets and products are the results of globalisation that allow companies to achieve economies of scale as evident in the case of Mercedes Benz as quoted by their MD and CEO Eberhard Kern.

Industry Practices

- **Toyota** car manufacturing focuses on maintaining its quality in the era of globalisation. The company has expanded the scope of automobile sales across the entire globe. For over fifty years, Toyota vehicles have found their way to over 170 countries and regions throughout the world. Now there are 51 bases in 26 different countries and regions. In addition, there are design and R&D bases in nine locations overseas, showing that "from development and design to production, as well as sales and service, Toyota has now achieved consistent globalization and localization. Among the hurdles that this globalization of production has to overcome, the most important is quality assurance, which requires that "no matter where Toyota vehicles are made, they must have the same high level of quality." Toyota doesn't put a label on vehicles which says "Made in The USA" or "Made in Japan", but instead opts for one label for all: "Made by TOYOTA." This means that there is a need to spread Toyota's manufacturing philosophy — the "Toyota Way" — to all of their overseas bases.
- **Barbie** dolls have found a cultural adaptation in several markets. Barbie Dolls, created by Mattel in 1959 was a huge success in the USA. Mattel has altered the doll to fit local cultures: African market – introducing a black Barbie and in India – doll in traditional clothing (sari).
- **Ford motors** saw a reduction in cost and complexity in production due to economies of scale when they went global.
- **McDonalds** is a very good example of how globalization has resulted in opening up broader market of customer in over 118 countries where it is present as franchisee.

INDUSTRY SPEAK

☞ *“Local Production of the GL-Class will provide immense value addition and benefits to our valued customers in the form of easier production availability and flexible production scheduling...”*

**- Eberhard Kern, Managing director and CEO,
Mercedes-Benz India**

27
Q

What efforts does your organisation take to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns?



Q.27.What efforts does your organisation take to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns?

Findings

16 respondents companies claimed that they do take efforts to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns as well as social concerns. Qualitative analysis of responses by these respondent firms illustrates their practices as discussed below:

- 1. Indiabulls** - The company has taken initiatives to build household rainwater harvesting structures and storage tanks in 385 rural households across 10 villages in Nagaur district of Rajasthan. Through these structures, the rainwater gathered on household rooftops is passed through a basic filtration process and collected in an underground 15,000 litre tank, which can provide sufficient drinking water for a 5-6 member household for a year. Company has also built 90 household toilets to promote sanitation, repaired 50,000 litre community-owned tanks and built temporary rooftops to extend catchment area of tanks in these villages. Similar efforts have been extended to more difficult desertic areas like Dholiya Der and Sindhipura villages on the fringes of Thar Desert, where they have constructed 50,000 litre community rainwater harvesting tanks, connected rooftops to rainwater harvesting tanks in schools, anganwadis and community centres, and repaired and renovated a large pond with a capacity of over 1 crore litres. Over 5,000 people have benefited from this pilot project. (Source: www.indiabulls.com)
- 2. Indian Oil Corporation (Energy)** - In recent times, there has been a marked shift from use of conventional fossil fuels to new and renewable sources of energy that are cleaner, safer and inexhaustible. In the country's pursuit of alternative sources of energy, Indian Oil is focussing on CNG (compressed natural gas), Autogas (LPG), ethanol blended petrol, bio-diesel, and Hydrogen energy.
CNG: CNG is being marketed from select IndianOil outlets in Mumbai and Delhi as a franchisee of Mahanagar Gas Ltd., Mumbai, and Indraprastha Gas. Ltd., Delhi, respectively. As on date, CNG is available at 13 IndianOil outlets each in Mumbai and Delhi.
Autogas (LPG): Autogas (LPG) as a clean-burning fuel is now available from 77 Indian Oil outlets covering 21 cities across the country.

Ethanol-blended petrol: In the year 2003, a new eco-friendly fuel popularly called “Gasohol” was launched. This fuel combines petrol with 5% ethanol obtained from the sugarcane molasses available throughout the country. Based on successful completion of the pilot project initiated by the Ministry of Petroleum & Natural Gas, Government of India and studies conducted by Indian Oil R&D, supply of 5% ethanol-blended petrol has been initiated in 10 States and three Union Territories in the first phase, and will be further extended to all parts of the country subsequently.

Biodiesel: Biodiesel is an alternative fuel, having diesel like properties, synthesised by a simple chemical reaction of alcohols with vegetable oils. It is commonly made from edible oils like soyabean, rapeseed and palm oil in the world. IndianOil R&D has perfected a process to produce biodiesel from various non-edible oils, especially from *Jatropha* and *Karanja* plants. The biodiesel produced has been tested for its properties and meets the stringent international standards. Extensive field trials have been conducted using 5 and 10% bio-diesel blends in collaboration with Indian Railways, Haryana Roadways, TATA, etc. A reduction of 10 to 15% in smoke density has been observed with the use of biodiesel blends.

Hydrogen Energy: As a part of its roadmap for a Hydrogen-fuelled economy, IndianOil recently commissioned India's first Hydrogen-CNG fuel dispensing station at its R&D Centre at Faridabad. The pilot station provides a hands-on experience with on-site Hydrogen production, storage, distribution and supply. In due course of time, IndianOil, in coordination with vehicle manufacturers, will take up lab scale development of H-CNG engines. Some of the other projects identified include development of Hydrogen-powered three-wheeler and bus engines in association with SIAM (Society of Indian Automobile Manufacturers), conversion of CNG three-wheelers and buses to H-CNG mixture and development of Hydrogen conversion kits. (Source: www.iocl.com)

- Volkswagen (Automobile) -** Volkswagen Group has been listed as the most sustainable automaker in the world's leading sustainability ranking. RobecoSAM AG classed the company as the Industry Group Leader in the automobiles and components sector in this year's review of the Dow Jones Sustainability Indices (DJSI).

The Chairman of Volkswagen Aktiengesellschaft, Prof. Dr. Martin Winterkorn, commented: “This distinction is a real milestone on our path towards becoming the leader in green mobility. We will devote all

our energy to permanently establishing the Volkswagen Group as the world's most sustainable automaker.” The Chairman of the General Works Council of Volkswagen Aktiengesellschaft, Bernd Osterloh, said: “This honor testifies to our swift progress in systematically orienting the entire Group to maximum energy and resource efficiency. This success is undoubtedly attributable to the whole team. We will continue to focus on sustainable management – throughout the entire value chain.”

For financial investors, the Dow Jones Sustainability Index is the most significant benchmark for measuring the corporate performance of the world's most sustainable companies.

The company has achievements such as “the great efforts to improve fleet fuel consumption” in the context of the ambitious goals to lower CO2 emissions, and the binding commitment to sustainability targets in Strategy 2018. Volkswagen Group has also achieved a significant improvement in the view of the Carbon Disclosure Project (CDP). According to the CDP Global 500 Climate Change Report 2013 which has just been published, the company is now listed in both the CDP Global 500 Climate Performance Leadership Index and the CDP Global 500 Climate Disclosure Leadership Index for the first time. The report analyzes the initiatives of the world's largest listed companies in addressing countermeasures against climate change. The Carbon Disclosure Project describes itself as an international, not-for-profit organization providing the only global system for companies and cities to measure, disclose, manage and share vital environmental information.

(Source: www.volkswagenag.com)

4. **Heritage Foods India Limited (Dairy)** - Company is focusing on using eco-friendly packing materials like tetra packs, recyclable bottles.
5. **Polychronic Petrochem Pvt. Ltd. (Plastic)**- The company practices optimization of power consumption, effective handling of waste, reduction of fuel consumption
6. **Engineers India Ltd. (EIL) (Petroleum and Natural gas)** – EIL aims to assist socially and economically weaker segments of society to overcome hardship and impoverishment while recognizing the interests of all its stakeholders. It works to create community assets for the development of rural/urban society. To reinforce the 'positive & socially responsible image' of EIL as a corporate entity.
EIL works with both industries and state municipalities to deliver cost-

effective and environmentally sustainable solutions for resource & waste management. They work towards better conservation of environment and eco-system by means of effective solutions for solid & hazardous waste management, resource recoveries & conservation, liquid effluent treatment & recycle, industrial emissions management, etc. Their researchers are helping to solve waste management challenges by commercializing innovative technologies & cleaner processes; and developing new waste remediation techniques for industries. EIL strives to set benchmark for excellence in all aspects of their scope of services for protecting the environment through our proven technologies & procedures. To address growing concerns about the environmental costs of burning fossil fuels, EIL has re-focused its engineering philosophy & business models to achieve long term sustainable growth by evaluating performance on the triple bottom lines of economic, social and environmental impacts. Company's current priority is to develop environmentally acceptable energy solutions that will allow the world to benefit from the convenience and cost-effectiveness of hydrocarbons sources while simultaneously developing the technology to move towards other cost-effective, renewable and sustainable forms of energy technology. EIL has a dedicated Environment Policy at corporate level. EIL is a leading consultant in India in carrying out Environmental Impact Assessment (EIA) studies and preparation of Environmental Management Plan (EMP) for new projects. A comprehensive and detailed EIA study helps in accurately predicting & assessing the environmental & socio-economical impacts of the proposed new facilities. EIL also carries out environment health risk assessment study for its clients, which helps in tracing the impact of various pollutants on health of the people in the vicinity of the plant. EIL is the pioneer in deployment of state of art technologies in the field of effluent recycle/reuse leading to zero liquid discharge (ZLD) requirements, carbon management for control of volatile organic compounds, hazardous and solid waste management, recovery of oil from oily sludge and treatment of residual oily sludge using bioremediation process, opting energy efficient processes and treatment system, etc. –

(Source:<http://www.engineersindia.com/Environment/>)

7. **Godrej Precision** – The company is in heavy engineering business. As their policy is go green so they have changed process which would have been harmful if continued.

8. **Springwel Planet Bliss (Textile)** - The company conducts sleep exchange campaign to help destitute homeless children have access to a comfortable slumber.
9. **Bharti Airtel (Telecom)** - Bharti foundation aims to help under-privileged children & young people of our country realize their potentials
10. **Sandu Pharmaceuticals** - The company understands its responsibility towards society at large & in its quest to attain the said philosophy the company has embarked upon - Water harvesting project, Composting residual waste of herbs and Medical Camps as a part of its efforts responsive to social and ecological concerns.

CONCLUSION

We firmly believe that businesses that are benefiting by providing goods and services to consumers have a duty to bring more inclusive, sustainable, social and economic growth to those consumers' communities.

This survey collects and disseminates the opinions of sample companies and marketers in order to predict the future of markets, track marketing excellence, and improve the value of marketing.

Concluding the survey the questionnaire is grouped into several marketing domains resulting into paradigm shift that has occurred are listed below:

- **Strategy**

This is a wide domain which explores marketing objectives as Growth, and talks about Competitive advantage as well as marketing performance measurement and monitoring practices. Paradigm shift from – 4Ps to Relationship marketing and Sustainable competitive advantage is witnessed.

(Old view) “Marketing is the process of planning and executing the conception, pricing, promotion, and distribution of ideas, goods, and services to create exchanges that satisfy individual and organizational objectives.” American Marketing Association, March 1985 Anonymous (1985), [Marketing News, March 1, 1985.]

(New outlook) "Marketing is an organizational function and a set of processes for creating, communicating and delivering value to customers and for managing customer relationships in ways that benefit the organization and its stakeholders." American Marketing Association, August 2004 [Marketing News, September 15, 2004.]

Marketing has changed in its meaning, content and context. The new conceptualization brings in new ideas while old concepts are enhanced, modified or dropped. The concepts of value and relationship marketing replace satisfaction and exchange.

The value dimension of discovering value, delivering value and managing value is truly a combination of tasks. Customer orientation is not a marketing function but requiring a total company effort extending the philosophy of 4Ps (Product, Place, Price, Promotion) to additional Ps viz. People, Process, and Physical evidence.

The new meaning of marketing highlights the leading role of services in the current world.

Traditionally marketing has gone through different stages of development from the adaptation of the production concept, to the selling concept and recently to the marketing concept. Customer and stakeholder-orientation within what is called relationship marketing has become a best business practice.

Today recognising subtle ability such as CRM, customer hierarchy, customer portfolio, customer long life value, loyalty effect, customer equity are gaining weight in company's calculations of competitive advantage.

The measurement has changed from creating a buzz to a more methodical approach focussing on ROI resulting into growth and sustainability.

The business leaders and strategists are targeting rural India accounting for 70% households of the country's population contributing to about 50% of the country's gross domestic product.

With the change in the market place companies are strategising making appropriate changes to its product portfolio to make maximum profits in a given market aligning its resources in context to business/product decisions gauging the attractiveness to compete. The product portfolio strategy continually assesses the portfolio pruning products that are creating complexity in terms of quality and cost.

The competition prevailing in the market place demands companies to cultivate key accounts generating maximum revenue for the company resulting into business growth and sustaining competitiveness in the market.

- ***Marketing Environment***

This domain talks about Globalisation impacting the company and Paradigm shift from Globalisation to 'Glocalisation', Global products winning locally.

Indian industry has had positive benefits of globalisation though some firms because of their legacy processes in the government oppressed and controlled economy faced some problems at the initial stages. In the last decade economic growth has been good, exports have grown, employment boost has reduced poverty numbers, impact on long-term inflation rate with improvement in goods availability making India increasingly vital in the international competitive scenario.

Firms have become efficient in terms of quality, cost prices and variety with Indian firms setting up their outfits abroad taking the benefit of technological development.

MNCs have increased their investments in India resulting into a wage hike with talented labour commanding premium in the market.

With the exposure of technological development, investment and exposure to foreign markets agriculture in India has boomed improving their yields. In many areas of the country, tomato growers, potato farmers and fruit growers benefited from tie-up and collaborations with ketchup, potato chips, fruit juices, companies.

Quality service and raising the satisfaction bar for foreign clients have helped the Indian service industry to be one of the highest revenue earner in Indian economy. This has brought in repeat business and more revenue resulting the growth of the Indian company.

Internet and global media companies have helped in blending a cross culture environment in product categories, needs and values. MNCs in every country have adapted to the local needs.

- **Market segmentation**

Findings in this domain identifies factors influencing customers to buy products and benefits derived while Paradigm shift in Brand extensions – gender oriented, unisex brands is witnessed.

Consumers are guided by their emotions when making a buying decision. A company would prefer to produce products that rich in features and market it to the heterogeneous market instead of segmenting the market and producing products that appeal to a homogenous segment of the market, as this would limit the growth of the company. But still a company segments the market and connects the right features thus invoking emotional justification to buy. Focussing on segments helps the company to exercise control on profitability protecting margins and deal with cost pressures.

Consumer decision making is also guided by social, cultural and personal factors. Segmentation helps the company to create a preference for its products in the minds of consumers.

Brands are associations that form perception in the mind of a consumer. The

socio-cultural conflicts of sexuality in the consumer's mind is considered as an opportunity by companies to create associations of their brands on the basis of performance or the use of the product.

- **Advertising and Promotion**

Findings in this domain illustrates type of media usage by firms, modes of brand message delivery, methods of promotional mix and tools used as well as customer touch points. Paradigm shift identified is from – Product centric to customer centric approach, physical marketplace to cyberspace, Conventional Media to Non-Conventional Media preference.

With technology as an enabler the wider variety of communication tools are the principal persuasive agents for the companies to connect with its consumers and communicate ideas about their brands and products. These disseminated messages help the consumers to seek the products fulfilling their needs.

Traditionally advertising has created persuasive messaging and communicated information in a way the companies wanted a consumer to see a particular product. The marketing paradigm has shifted from mere persuasion to creating experiences building a basis for engaging the customers to own the product or the brand.

These experiences create memorable journey for the customer touching her/him at various points creating good or bad experiences. These experiences help a consumer to form opinions and have deep influence which is reflected in the consumer interactions with the company.

- **Branding**

This domain explores practices of Brand Management, identifies brand indicators, revitalization and extension of brands. The Paradigm shift witnessed is from National brands to Private brands and from brand visibility to brand engagement.

Brand management is dependent on two factors – role of consumer in branding process and the position of the brand is tactical or strategic in the company. This creates a brand to hold crucial position in promotion of a product, helping a consumer to projectively visualize the brand adapt to it and co-create the value thus establishing the relation.

Brands usually narrate stories involving usage and usage associations forming an emotional or rational attachment between a human and the product. This result in brand engagement which is partly created by the company and equally created by the perceptions, beliefs, attitudes, behaviour of those with these companies engage and interact. These stories create conversations in the mind of a consumer measuring the associated facts of the brand and are ultimately shared making the brand visible.

Usage and usability have created private label brands providing consumers the options required in variety and price. The trade feels a desire for their 'own' brand to prosper and the creation of these 'own' brands with consumer centric approach has made these brands to represent the attitude. The consumer has become loyal to 'own' brands and considers as an integral part of life, helping the trade to think beyond product centric brand development.

▪ **Product Decisions**

Findings in this domain talk about prioritizing projects/product criteria and refinement in product development process due to recession. Paradigm shift witnessed is from Mass Production to Mass Customization.

Mass production technique offers a finite set of products in a given space whereas mass customization offers variety within the product space.

Mass customization requires customer centric approach in producing and delivering as the company collaborates with individual customers to design one's own desired product. This is achieved by modular formation of the product as these modular components can be combined in a way to satisfy consumer needs.

The designing power has reshaped the brand and the market transforming a consumer to demand his specific requirement. Earlier companies were manufacturing one new product, today they create much wider experiences that impact the bottom line. These companies adopt to draw high margins by differentiating products in a commodity market place and use this to their competitive advantage.

Value creation in product decisions call for focusing on the core, developing contingency plans and evaluating risks during the exceptional time of recession. Value for money strategies adopted by the companies helped them to deliver innovative products improving their efficiency and

economize. The blockbuster to niche buster product strategies changed the business model from producing low-end products to satisfy masses to high-end effective products targeted at niche customers.

- ***Pricing and Promoting Decisions***

Findings in this domain explores phenomenon of Product launches, Optimal Price Points and Paradigm shift witnessed is from Mega Event to Virtual Product Launch.

In the creativity economy that has emerged out of knowledge economy paradigm shift has not just replaced products but markets too. The designing power of products has reshaped the entire brand and fresh thought is reframed in pricing and promoting products.

A mass pricing policy is replaced by consumer specific pricing, not only increasing sales but communicating information adding value and controlling sales volume. These strategies have increased pressure to reduce time-to-market new products. Launching products that best suit the consumer needs is the strategy adopted by companies making it a significant event providing competitive advantage. Event driven marketing has become strategic to further the dialogue and relationship that a company wants to have with its individual consumer.

The competition is severe to seek consumer's attention and the time-to-market is critical, hence companies adopt various modes that are technology enabled to promote the products for example webcasts have become an integral part of promotion strategy enabling the public to watch event virtually. A video is used to inform and entertain getting the attention the product deserves.

- ***Distribution and Channel decisions***

Findings in this domain highlights Screening market options, Intermediaries, distributor, supplier selection as well as Rural channels. Paradigm shift witnessed is from only In-store retailing to Retail on wheels as well as Over-the-counter sales to vending machines sales.

In order to reach the market, the marketer uses a best mix of channels to distribute its products. The decisions on these channels are an outcome of a strategic marketing plan supporting the target levels of market share, coverage and customer service measures to be achieved. These channels provide competitive advantage to companies.

Parallel to the technological enhancements retail market is growing multi-

LIMITATIONS OF THE STUDY

The historical episodes that are stated in the history of marketing, though local and specific are valuable to our understanding of the past and to the development of changes occurred in the field of marketing. In spite of the globalisation of marketing, the thinking on the subject is promoted only by a group of people having access to journals, publishers, associations, and conferences.

This report that we have made may be considered as one of the best that we could do considering the resources in time, brain capacity and limited communication.

This research was conducted on the Paradigm Shift in Marketing across various companies and is bound to several constraints that we encountered. All companies do marketing either by having a separate function or via a shared responsibility hence the study might not be an exact representative of all the domains of marketing practiced by overall companies in relation to the developing and changing field of marketing.

The generalizations of these research findings are limited because they were generated in an exploratory qualitative inquiry. The research design was not intended to produce results that account for or predict the behaviour of a wide classification of companies as most experimental, hypothesis-testing studies are. This liability was clear at the outset. However, because the inquiry generated a relatively clear and specific grounded theory that can be applied to practical experiences, it will be relatively easy to design a series of focused hypothesis-testing studies to experimentally verify and expand the theory generated here.

The study is also constrained in terms of time limit in which this study was supposed to be completed. This has not allowed us to critically assess large number of companies therefore constrained to limit our research to 66 respondent companies for a better assessment. Cost initially was another issue that limited how widespread our data could be collected, as more data would have been necessary to have a better assessment.

There is also a possible location bias as all the firms covered in the study were either in Mumbai and its suburbs or in New Mumbai. As a result, it is

suggested future studies can include a larger case study from all over India.

In this research, the respondents were Marketing Managers as the key informants from each company. These key informants were used because of their specific information about the required data for this research. Future researches may be carried out using different positions and personnel within the company together with these key informants.

Although this research showed that the firms emphasized a transactional, relational, or pluralistic approach to marketing, it did not identify why such approaches were considered and implemented. Investigation of such issues in future research could also provide a better understanding of company's emphasis on different types of marketing paradigm.

Nevertheless, in the face of all of these limitations, it is believed that the core objective of assessing Paradigm Shift in Marketing could be achieved with a high amount of confidence.

EPILOGUE

Hope you had an exciting journey through the transforming world of marketing. As you unfasten your seatbelts you mind's racing through your experiences during the course; experiences that might have surprised you, experiences that made you nod your head, experiences that left you asking for more.

As your mind wanders through these thought provoking experiences, some of you might realise that in real life you are already on onboard such a journey and that you need to equip yourself with to deal with this on-going transformation.

Here are some thoughts for you to relish and ponder upon as you realise that the journey continues and you have the most challenging and most exciting time ahead:

From here to where...?

RECEIVED PARADIGM	EMERGENT PARADIGM
☆ 'Make and Sell' Marketing	➤ 'Sense and Respond' Marketing ?
☆ Delivered Services	➤ Sensory experiences ?
☆ Large Scale Manufacturing	➤ Era of Customer Co-creation ?
☆ Consumer Psychology	➤ Consumer Behaviour Neurophysiology
☆ Customer satisfaction and delight	➤ Consumer sensation and sense making ?
☆ Digital Technology	➤ Nanotechnology and Biotechnology ?
☆ Reactive and adaptive CSR	➤ Proactive CSR ?
☆ Niche Marketing	➤ Inclusive Marketing ?
☆ Virtual markets	➤ Virtual Producers and Consumers ?

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ANNEXURE - I

LIST OF RESPONDENT COMPANIES

S. No.	Name of the Company	Sector
1.	MK Precision Metal	Construction, Pharamaceuticals & Health Care
2.	Indiabulls	Realestate
3.	Swift India	Infotech
4.	Swan Solution & Service	Infotech
5.	Eureka Forbes	HealthCare
6.	Thirdware Solution	Infotech
7.	Highbar Technologies	Infotech
8.	EMG Automation	Steel & Metals
9.	Bureau Veritas	Testing, Inspection & Certification
10.	Samarth Edufin	Financial Services
11.	Microland	Infotech
12.	CRISIL	Credit Rating Firm
13.	3M	Advertising, Automobile, Paint, Paper, Plastic, Printing, Rubber
14.	Yatra.com	Hotel, Transport, Tourism
15.	Datamatics	Infotech
16.	Aidem Ventures	Advertising
17.	Indian Oil Corporation	Energy
18.	Volkswagen	Automobile
19.	Unique Mixers & Furnaces	Manufacturing
20.	Fortis Hospital	Healthcare
21.	Titan Industries	Fashion
22.	SMG Convonix	Infotech
23.	Scope T&M	Energy
24.	Yes Bank	Banking
25.	VVF	Cosmetics, Soap
26.	Heritage Foods India Limited	Dairy
27.	ATOS	Infotech
28.	Mumukshu Healthcare	Pharmaceuticals

S. No.	Name of the Company	Sector
29.	Polychronic Petrochemicals	Plastic
30.	Raymonds	Textile
31.	Godrej Property	Real Estate
32.	Kouni	Tourism
33.	Rolta India	Infotech
34.	EIL	Petroleum & Natural Gas
35.	Angel Broking	Banking & Mutual Fund
36.	Crave Software Solution	Infotech
37.	Godrej Precision	Aviation
38.	Tekman India	Engineering
39.	Reliance Insurance	Insurance
40.	HDFC AMC	Mutual Fund
41.	Professional Couriers	Couriers Service
42.	Shopper's Stop	Fashion
43.	Monginis Foods	Food Processing
44.	Lijjat Papad	Food Processing
45.	SVP Packaging Industry	Packing
46.	Kotak Mahindra Bank	Banking
47.	Springwel Planet Bliss	Textile
48.	Kukreja Builders	Real Estate
49.	Sai Life (Sai Group)	Real Estate
50.	Bharti Airtel	Telecom
51.	Amkette Analytics	Scientific Instruments
52.	Bluebird Food India	Food Processing
53.	Royal Agro Food Product	Food Processing
54.	Rajena Agro Product	Food Processing
55.	Miranda Automation	Automation
56.	Edelweiss Tokio Life Insurance	Insurance
57.	Pepe Jeans India	Fashion
58.	Aditya Birla Retail (More)	Retail
59.	Star CJ.com	Online Shopping
60.	Spyker Lifestyle	Fashion
61.	Vijay Sales	Consumer Durables
62.	Subros Auto Air Conditioners	Automobile
63.	Lodha Group	Real Estate
64.	Sandu Pharmaceuticals	Pharmaceuticals

ANNEXURE - II

Dr. V. N. Bedekar Institute of Research and Management Studies [Dr. VNBRIMS] has plans to bring a research Journal on ‘Paradigm Shift in Marketing’. It is an endeavour to bridge the gap between research and practice by bringing together marketing professionals, academicians and students and facilitate knowledge sharing of research findings and successful business practices.

The information collected through this questionnaire shall be used purely for academic purposes. We shall be grateful for your valuable inputs and active co-operation.

Kindly respond to all the questions. Please Tick wherever appropriate.

Company Information

A What is the name of your company?

B Which Industry does your company belong to?

Advertising	<input type="checkbox"/>	Film	<input type="checkbox"/>	Plastic	<input type="checkbox"/>
Agricultural	<input type="checkbox"/>	Food Processing	<input type="checkbox"/>	Poultry	<input type="checkbox"/>
Automobile	<input type="checkbox"/>	Furniture	<input type="checkbox"/>	Printing	<input type="checkbox"/>
Aviation	<input type="checkbox"/>	Garment	<input type="checkbox"/>	Real Estate	<input type="checkbox"/>
Banking	<input type="checkbox"/>	Granite	<input type="checkbox"/>	Rubber	<input type="checkbox"/>
Bio-technology	<input type="checkbox"/>	Healthcare	<input type="checkbox"/>	Silk	<input type="checkbox"/>
Biscuit	<input type="checkbox"/>	Hotel	<input type="checkbox"/>	Soap	<input type="checkbox"/>
Cement	<input type="checkbox"/>	Insurance	<input type="checkbox"/>	Steel	<input type="checkbox"/>
Chocolate	<input type="checkbox"/>	InfoTech	<input type="checkbox"/>	Sugar	<input type="checkbox"/>
Coir	<input type="checkbox"/>	Jewellery	<input type="checkbox"/>	Tea	<input type="checkbox"/>
Construction	<input type="checkbox"/>	Jute	<input type="checkbox"/>	Telecom	<input type="checkbox"/>
Cosmetic	<input type="checkbox"/>	Leather	<input type="checkbox"/>	Transport	<input type="checkbox"/>
Cottage	<input type="checkbox"/>	Metals	<input type="checkbox"/>	Television	<input type="checkbox"/>
Cotton	<input type="checkbox"/>	Mining	<input type="checkbox"/>	Textile	<input type="checkbox"/>
Dairy	<input type="checkbox"/>	Music	<input type="checkbox"/>	Tobacco	<input type="checkbox"/>
Diamond	<input type="checkbox"/>	Mutual Fund	<input type="checkbox"/>	Tourism	<input type="checkbox"/>
Electronic	<input type="checkbox"/>	Paint	<input type="checkbox"/>	Toy	<input type="checkbox"/>
Energy [Oil/Power]	<input type="checkbox"/>	Paper	<input type="checkbox"/>	Tractor	<input type="checkbox"/>
Fashion	<input type="checkbox"/>	Pharmaceutical	<input type="checkbox"/>	Turbine	<input type="checkbox"/>

C Which vertical Line (SBU) of your organisation you belong to? _____

D Which range best describes your organization’s annual sales revenue? (in Rupees)

- a) More than 100 crores c) 5 Crore to 10 Crore
 b) 10 Crore to 100 Crore d) Less than 5 Crore

E What are the Products / Services that your company sell?

- F Which are those 20% of the products listed that fetch you 80% of the profit?

- G Please list your best products / brands.

- H a) How long has your company been operating in the Indian Market? _____ Years.
 b) Do you have a dedicated Marketing Department / Function

Yes	No
-----	----

 c) Do you have a dedicated Sales Department / Function?

Yes	No
-----	----

 d) Are the Marketing and Sales Department / Function distinguished by your Company?

Yes	No
-----	----
- I What is your current market share in India? _____ [Rupees] _____ %
- J How many products, projects, or services does your company provide at any given time?
 a) More than 100 d) 11 to 20
 b) 51 to 100 e) 6 to 10
 c) 21 to 50 f) Less than 5
- K Who do consider your competitors are? [Request you to list atleast three companies]

Questionnaire

1 What are your company's objectives of Marketing?

- a) Market Share
- b) Promotional
- c) Survival
- d) Growth
- e) Branding
- f) Others

2 Which of the following are the growth strategies of your company? Can you please rate them on extent of impact?

- | | | Low | | High |
|--|--|----------------------|----------------------|----------------------|
| (a) Focus on Advertising (Advt.) campaigns | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (b) Putting effort in building brands through Advt., promotions, Public Relation (PR), Sponsorships, events etc. | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (c) Managing the marketing mix in an integrated manner. | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (d) Understanding prospective buyers at segment level in the Indian market through Marketing Research /survey. | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (e) Bringing out products that suit specific needs of the buyers. | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (f) Creating markets and redefining markets to explore growth opportunities. | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (g) Focusing on the proper channel-mix for distribution of product. | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (h) Continuously looking for growth opportunities by using appropriate strategy framework. | | <input type="text"/> | <input type="text"/> | <input type="text"/> |
| (i) Building a strong corporate brand through company performance, good PR and corporate | | <input type="text"/> | <input type="text"/> | <input type="text"/> |

3 Which all factors influence your customers to buy your products?

- a) Age
- b) Life-cycle stage
- c) Occupation
- d) Economic Circumstances
- e) Life-Style
- f) Personality
- g) Wants & Needs
- h) Motivation
- I) Perception
- j) Learning or Experience
- k) Beliefs
- l) Attitudes
- m) Values
- n) Knowledge
- o) Customs
- p) Marketing Stimuli
- q) Political

4 “The purpose of business is to create customers”.....Philip Kotler

Which Media does your company use to do this?

Please rank your options

- a) Face-to-Face Sales call
- b) Leaflets / Posters
- c) Billboards
- d) Newspapers / Magazines
- e) Direct Mail
- f) Catalogues
- g) Telephone
- h) Radio
- i) TV
- j) Film
- k) Website
- l) Email
- m) Banners
- n) Pop-ups
- o) Webcasts
- p) Blogs
- q) Podcasts
- r) Video casts
- s) Mobile Marketing
- t) Social Networking sites

5 Which are the different modes that have been adopted by your company to deliver the brand message in an effective and efficient manner?

Please **RANK** your options.[a to i]

- a) Advertising in electronic and print media
- b) Making use of multiple media, including internet e-mail, fax, telemarketers, In-store advertising etc.
- c) Working with the media Department of Advertising Agency to define reach, frequency and impact of the Advertisement Campaign
- d) Making use of tools like PR, sponsorships, events, social causes, and getting media to talk about the brand
- e) Penetrating traits of the brand through all of the company’s marketing activities
- f) Stressing on long term relationships with the customers and creating brand loyalty
- g) Clarifying and living the company’s basic values and building the corporate brand.
- h) Developing a brand building plan to create positive customer experience at every customer contact point, person-to-person contact, events, seminars, telephone, e-mail.
- i) Using the brand value proposition as the key driver of your Company’s strategy, productdevelopment operations and services?

- 6 Which are the different methods of promotional mix strategies adopted by your company? Can rate them?**
- Advertising in electronic and print media
 - Advertising campaign
 - PR and publicity
 - Personal selling
 - Sales promotion
 - Direct marketing
 - Tele marketing
 - Word of mouth
 - Combination of all of them
- 7 How do you measure and monitor marketing control process?**
- Market share analysis
 - Sales analysis
 - Budgets
 - Marketing Research
 - Sales per thousand customers, per factory, by segment
 - Evaluation of Marketing Staff Performance
 - Any Other [Please specify] - please explain
- 8 i] What is the most appropriate indicator of brand equity?**
- Brand value
 - Brand identity
 - Brand recall
 - Brand image
- ii] Which is the most important factor to ensure brand management of the products?**
- Quality
 - Delivery
 - Usage experience
 - Price
- iii] Which among customer loyalty, customer satisfaction, customer feedback indicates that the brand is being managed well?**
- Customer loyalty
 - Customer satisfaction
 - Customer Feedback
 - Any other
- iv] Evaluate your brands online presence from the perspective of how well the brand is conveyed?**
- Functional benefits [example: Content of the site]
 - Emotional benefits [example: imagery, identity, colour palette]
 - Consistency with offline brand [if one exists]
 - Style [example: graphics, colour scheme]
 - Online reputation management[ORM]
 - Brand image
 - Company's marketing aims
 - Target audience

v] **Have you revitalized the brand based on any of the following:**

- a) Logo
- b) Celebrity endorsement
- c) Packaging
- d) Delivery
- e) Brand extension

vi] **Organisations frequently follow brand extension strategies.**

How do you as an organisation reinforce the need for an evaluation for the success and acceptability of brand extensions?

- a) Impact of category similarity
- b) Brand reputation
- c) Exclusive
- d) Perceived risk
- e) Inspiring
- f) Consumer innovativeness

9 **How do you achieve a sustainable competitive advantage?**

- a) Cost Leadership
- b) Product or Service Differentiation
- c) Technology
- d) Price
- e) Focus or Niche
- f) Any other

10 i] **Do you sell in Rural Markets?**

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

ii] **How do you screen the initial set up of market options?** [Reason in few words]

- a. Competitive advantage
- b. Availability of Local Knowledge
- c. Growth rate
- d. Fit with current production systems and market
- e. Level of Investment

11 **How important are the following criteria as you prioritize projects/products?**

[Please Rank the following from 1 to 9]

- a) Strategic Alignment
- b) Competitive Positioning
- c) Revenue
- d) Margins
- e) Brand Positioning
- f) Resource Availability
- g) Market Share
- h) Risk Score
- i) Private Label

- 12 As a result of the recession, how has your organization refined the product development process?**
- a) Begun refining the process and will continue to refine this year
 - b) Process stayed the same
 - c) Refined process to be more efficient and consistent across the organization
 - d) Currently evaluating tools for refining the process
 - e) Other - Please Specify
- 13 Has your Target Market changed after recession in reference to:**
- a) Demography
 - b) Financials
 - c) Values & Beliefs
 - d) Location
 - e) Communication
 - f) Any Other [Please specify]
- 14 What benefits are derived from Customer segmentation?**
- a) Customer Focus
 - b) Profitability
 - c) Competition
 - d) Differentiation
 - e) Productivity
 - f) Any Other [Please specify]
- 15 How have you made Segmentation, a Customer facing Reality?**
- a) Understand your company's capabilities/competencies
 - b) Develop insights based on data facts
 - c) Aligning the Sales team
 - d) Unlock opportunities within to reflect upon needs of each segment
 - e) Any Other [Please specify]
- 16 Indicate order of preference for various Customer touch points for your company**
- a) Telephone - Call Center
 - b) Media - Kiosks
 - c) Events
 - d) Internet - Web Portal
 - e) Social Media
 - f) Sales Staff - Customer Service Counter
 - g) Referral - Social Group
 - h) Office
 - I) Billing-Invoicing
- 17 i) Have you implemented Customer Relationship Management Strategy?**

Yes

No

- ii) **What advantages have you drawn out of your CRM strategy?**
 - a) Reduce rate of defection by percentage
 - b) Increase Longevity by months/years
 - c) Enhance share of wallet by Rs or %
 - d) Terminate low profit customers - nos.
 - e) Focus more effort on high profit customers
 - f) Any Other [Please specify]
- 18 How do you integrate the voice of the customer into the product development process?**
 - a) Regular cross-functional meetings
 - b) Capture new ideas for ranking and review, Please Specify
 - c) Integrated product portfolio management platform
 - d) Gated process
 - e) Manual process (emails, word of mouth)
 - f) Other [Please specify]
- 19 Considering the matrix of industry attractiveness and market share what is the percentage of your product portfolio under the following?**
 - a) Percentage of Products having low share in low growth market
 - b) Percentage of Products are having a high share in a low growth market
 - c) Percentage of Products are having a low share in a high growth market
 - d) Percentage of Products are having high share in a high growth market
- 20 Which of the following statements best describes your organization's policy for underperforming products?**
 - a) We stop underperforming products immediately
 - b) We stop underperforming products some of the time
 - c) We stop underperforming products only if they are losing a lot of money
 - d) We don't stop products once they have been started, even if underperforming
 - e) Brand Revitalization
- 21 i) How do you price and promote a new product, or a product re-launch?**
 - a) Determination
 - b) Modelling
 - c) Integrating Consumer Research
 - d) Assessing impact on Sales
 - e) Analyzing Promotions
 - f) Tracking Market
 - g) Test Market
 - h) Any Other [Please specify]
- 22 i) Which type of Intermediaries do you use?**
 - a) Wholesalers
 - b) Agents
 - c) Retailers
 - d) Internet
 - e) Licensing & Franchising
 - f) Any Other [Please specify]

ii) How do you decide upon a distributor?

- a) Market Segment
- b) Changes during the Product Life Cycle
- c) Distributor Fit
- d) Qualification Assessment - Experience-Track record
- e) Training & Support to Distributor
- f) Any Other [Please specify]

23 Do you believe that your organisation has good enough procedures to select and evaluate suppliers? Yes No

Please rate the following:

- a) Price (competitive pricing is one component of the evaluation and may be outweighed by other factors. Pricing alone will not be a deciding factor, unless all else is equal)
- b) Delivery (Parts Availability and shipping time frame)
- c) Quality (Certified Vendors)
- d) Performance Capability (financial status, sufficient stability, capability of equipment and employees)
- e) Better customer services
[e.g.:after sales service, easy assessable, technical support, warranty of the product]
- f) Competitive advantages through cost reduction
- g) Location of Supplier
- h) Reference Checks

24 Which promotional tools are blended to persuasively communicate customer value?

- a) Personal Selling
- b) Sales Promotions
- c) Public Relations
- d) Direct Mail
- e) Trade Fair / Events / Exhibitions
- f) Advertising
- g) Sponsorship
- h) Digital Media
- i) Experiential
- j) Celebrity endorsement
- k) All of above
- l) Others

25 i) Do you sell to Key Accounts? How many?

Yes

No

ii) What is the criteria for having Key Accounts?

- a) Sales Revenue
- b) Unit Sales
- c) Profit Margin
- d) Future Sales Volume
- e) Financial Security
- f) Acquisition Potential
- g) Cultural Fit
- h) Any Other [Please specify]

iii) What are the performance Measures for Key account management?

- a) Sales
- b) Relationships
- c) Satisfaction
- d) Opportunities
- e) Alerts
- f) Any Other [Please specify]

26 How has Globalisation impacted your company?

- a) Reduction in Cost and complexity of operations
- b) Access to cheap resources
- c) Opening up of broader market of customer
- d) Pricing Products lower
- e) Improved communications with endless potential
- f) Efficient transport and distribution systems
- g) Increased availability of Finance
- h) Focus on Quality
- i) Any Other [Please specify]

27 What efforts your organisation makes to produce, promote, package, and reclaim products in a manner that is sensitive or responsive to ecological concerns?

Profiles of Authors



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Author is currently Assistant Professor at Dr. V.N. Bedekar Institute of Management Studies, Thane holding a teaching experience in diverse portfolio of areas in marketing viz. Marketing Strategy, Integrated Marketing Communications, Services Management, Marketing Management, Distribution and Supply Chain Management and Market Applications and Practices.

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Deepak Agnihotri, Assistant Professor at DRVN BRIMS has versatile industry experience over three decades as a senior level management professional, in the corporate function and has the ability to combine business expertise and broad-based technology, in developing and implementing corporate-wide short and long-term solutions.

In earlier assignments he has successfully handled major operational challenges, carried responsibility to deliver future information needs, developed and implemented market competitive dynamics in customer-oriented corporations with a high growth and energy, has proven leadership skills, and is a strong customer support advocate.



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Shobhana Panikar, a Development Studies graduate and an MBA, is an experienced education professional with diverse experience in management, marketing, education, qualitative and market research and the non-profit sector. She started her career in qualitative research and then worked in marketing and business development roles in retailing, research and education. Her experience in teaching and with NGOs exposed her to challenges in the delivery of education and reinforced her commitment to work in the education sector.

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Paradigm Shifts in Marketing

Sr. No	From	To
1	Transactional Marketing	Relationship/ Interactive Marketing
2	Product Demonstrations	Product experiences- Experiential marketing
3	Product-Centric	Customer Centric Marketing
4	Marketer Monologue	Consumer Dialogue
5	Operating only in physical market-place	Operating in Cyberspace/ Virtual market-place
6	Mass Production	Mass Customization
7	Conventional Media	Non – conventional Media
8	Globalisation	Localisation: “Glocalisation”
9	Increasing Consumerism	Sustainable marketing concept and Green Marketing Initiatives
10	Product Selling	Consultative Selling
11	Brand being a mere icon	Brand telling a Story
12	Board Room Decisions	Crowd-sourcing
13	30 Sec TV Slot /Traditional Advertising	30 Sec You tube video Online Advertising
14	Shelf Placement	In-film Placement
15	User Marketing	Shopper Marketing
16	National Brands	Private Brands
17	Executive Endorsements	Celebrity Endorsements
18	Female Oriented Brands	Male Orientation
19	Off – season Discount Sale	Mid-night Sale
20	Brand Visibility	Brand Engagement - “Adver-gaming”
21	In –Store Retailing	Retail - on - Wheels
23	4P’s in Marketing	8 P’s in Marketing
24	Graphics in Advertising	Music in Advertising
25	Mega Event Product Launch	Virtual Product Launch
26	Telegram	Email Marketing
27	Television Advertisements	Mobile Marketing
28	Off Line Word of Mouth	Blogs
29	Over-The –Counter Sales	Vending Machine Sales
30	Urban Markets	Rural Markets
31	Marketing 1.0	Marketing 2.0 & Marketing 3.0

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