Non-interest diversification in Banking, the new paradigm shift after liberalization and its relevance as a Marketing Strategy
Subrato Bhadury

Abstract
The Indian commercial banking system partly because of its strategic marketing shift and partly due to investment management and volatility reduction effort is gradually inclining towards non-conventional activities that generate non interest income in the form of fee based income and earnings from currency exchange brokerage and miscellaneous income. Although diversification effort is welcome in view of stringent Basel II norms coupled with global recessionary tendency, but there is always a hidden danger that it’s over emphasis as a marketing tool may lead to higher volatility in bank revenue and lower risk adjusted profits while bank’s bread and butter earning (interest income) may remain grossly overlooked.

Keywords: non-interest income, diversification, panel regression, stationary

Introduction
After nationalization and prior to liberalization bank business was mainly focused towards interest earning activity by way of loans and advances which was guided by the administered rates. Banks were provider of few basic services, which used to generate even and predictable revenue. Liberalization of the financial sector brought a total paradigm shift, with increasing frontiers of demand. Banks have now become provider of a wide range of solutions. One such prominent field is non-interest income. However non interest income related activities of banks which has the potential to contribute substantially to bank profitability, involving much lower cost and operational problems, remained by and large overlooked. This is more important because in the face of severe competition and adherence of various prudential norms (Basel II), the business opportunities as well as the scope of earning profit in the traditional interest earning business activities are slowly getting restricted. In order to address the above research issues the study hypothesizes the following:

1. There exists variation among the different bank groups (by ownership category) in their operational strategy towards relying upon non-interest income for enhancing profitability in the post liberalization period.
2. Secondly there is difference between individual banks in the same group as well.
Sources of secondary data
The present study is empirical by nature and is based on the Indian banking data for the period 1991-2006 collected from Reserve Bank of India’s official web site (www.rbi.org.in) “Annual accounts data of commercial banks”. We have selected our sample of commercial banks as 2 independent sample groups according to their ownership. The 2 main commercial bank groups undertaken are: 12 foreign banks & 14 private commercial banks. In the representative sample we included those banks for which the data for the reference period (1991-2006) are continuously available.

Banks under consideration

Financial data for time trend analysis
The data selected for all commercial banks and financial variables for the time period 1991-2006 are as follows-total income of commercial banks, interest income, other income and its 6 different components (Commission exchange and brokerage, Net sale investment, Net revaluation of investment, Net land, Net exchange & Miscellaneous income), Profit, Assets and Reserves of the commercial banks.

Methodological Approach
The research attempts to capture both the time perspective and the cross sectional bank specific and ‘other income’ component specific aspects and hence time series data is considered first. Growth of other income component and its sub elements over time has been examined by using the linear trend model of the form:

\[ Y = a + b * T + u \]

Results of Trend analysis
As hypothesized other income and its components increased over this period, although the rates are different for different banks and different for individual banks also in the same ownership group. The “t” ratio of other income/total income is significant for most of the banks in the
private and foreign bank group at 5% level of significance. Out of all the 6 components “t” ratio of net sale investment as a proportion of other income is highly significant followed by of net exchange as a proportion other income.

**Determinants of profitability**

The dependent variable in the study is profitability, here profit as a % of income ie (profit/income) x100 is considered. The independent variables are the six components of other income as mentioned earlier and indicated by X1, X2, X3, X4, X5, and X6.

**Empirical analysis**

The research question pertaining to Hauseman test at the next step is whether there is significant correlation between the unobserved (unit of observation) specific random effects and the regressors. If there is no such correlation, then Random Effect Model (REM) will be more powerful. If there is correlation then the Fixed Effect Model (FEM) will be of choice.

**Panel regression results**

Panel data set representing the private bank group comes under REM after Hauseman test. For that reason we prepare GLS model for our subsequent analysis. So the functional form takes the form of

\[ Y_{it} = \beta_{1i} + \beta_{2} X_{2it} + \beta_{3} X_{3it} + u_{it} \]

Panel data set which is representing the foreign bank group come under FEM after Hauseman test, hence we have chosen least square dummy variable model (LSDV) for our subsequent analysis.

**Empirical analysis**

Panel regression technique is used to find how different components of other income affect profitability of the concerned banks or the group of banks differently. For this few routine tests are conducted. Augmented Dickey Fuller (ADF) tests are performed to see the stationarity of the series. Test statistic values for all independent variables show that the series is stationary. Since heteroscedasticity and multicollinearity can bring formidable problems afterwards so correlation matrix is verified and Breusch –Godfrey serial correlation Lagrange Multiplier test (LM test) is performed to identify the form of regression whether ordinary least squares estimates without group dummy variables are appropriate or fixed / Random effect is more

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suitable and significant LM values indicated that, the Houseman test to be performed to justify whether the panel dataset follows the fixed effect or the random effect model.

With the understanding above we perform Hauseman test on panels representing 2 different bank groups and the test result has an asymptotic $\chi^2$ distributions with the formula:

$$\chi^2 = (\hat{\beta}_{FE} - \hat{\beta}_{RE})' (\text{Var}_{FE} - \text{Var}_{RE})^{-1} X (\hat{\beta}_{FE} - \hat{\beta}_{RE})$$

the chi-squared test is based on Wald criterion

$$W = \chi^2 (K-1) = (\hat{\beta}_{FE} - \hat{\beta}_{RE})' \Psi^{-1} X (\hat{\beta}_{FE} - \hat{\beta}_{RE})$$

Where $\Psi = (\text{Var}_{FE} - \text{Var}_{RE})$

For $\Psi$, we use the estimated covariance matrices of the slope estimator in the LSDV model and the estimated covariance matrix in the random effect model, excluding the constant term(C) . We test the significance with k-1degrees of freedom (we have six variables X1, X2…X6)

**Estimated results of Private group of Banks (REM)**

Dependent Variable: Y  
Method: GLS (Variance Components)  
Sample: 1991 2004  
Included observations: 14  
Balanced sample  
Total panel observations 168

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
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<td>1.240443</td>
<td>3.556638</td>
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<td>X4</td>
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<td>X5</td>
<td>0.058266</td>
<td>0.056979</td>
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<td>X6</td>
<td>0.046738</td>
<td>0.126901</td>
<td>0.368302</td>
<td>0.7131</td>
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**Random Effects**

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<td>_NAI</td>
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<th>Variable</th>
<th>Coefficient</th>
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<th>t-Statistic</th>
<th>Prob.</th>
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<td>_LORD</td>
<td>-0.19695</td>
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Hence it can be concluded that, profitability of different banks in the private group at individual level was influenced by ‘other income’ component. The other income as a proportion of total income has positively contributed towards the profitability of all the banks in the private bank group.

**Empirical analysis for Foreign Bank Group**

Panel data set representing the foreign bank group come under fixed effect model after Hauserman test and after analyzing the total set of trend equations we find that, although their intercepts vary across different banks but each individual banks intercept does not vary over time (time invariant), hence we chosen Least Square Dummy Variable model (LSDV) for our subsequent analysis. The names of dummy variables are the corresponding bank names or d2, d3, ……………d14. The final fixed effect panel regressions equation is as follows:

\[
(PR)_{it} = \beta_1 \text{OICEB} + \beta_2 \text{NETSI} + \beta_3 \text{NETRI} + \beta_4 \text{NETLD} + \beta_5 \text{NETEX} + \alpha_1 + \alpha_2 d1 + \alpha_3 d2 + \alpha_4 d3 + \alpha_5 d4 + \alpha_6 d5 + \alpha_7 d6 + \alpha_8 d7 + \alpha_9 d8 + \alpha_{10} d9 + \alpha_{11} d10 + \alpha_{12} d11 + \alpha_{13} d12 + \alpha_{14} d13 + \varepsilon_{it} \] ………………………………5

Where \((PR)_{it}\) represents profitability, Putting bank dummies as d’s in the term \(\beta_1 \text{OICEB}\), \(\beta_1\)stands for the regression coefficient of the explanatory variable and \(\text{OICEB}\) explains the effect of other income from commission exchange and brokerage on profitability of the bank.

Here d2,…….. d14 are 13 dummy variables against 14 foreign banks. Here only 13 dummies are used to avoid falling into the dummy-variable trap, i.e., the situation of perfect collinearity. Incidentally there is no dummy for the ABN Amro Bank or in other wards \(\alpha_1\) represents the intercept of ABN AMRO Bank and \(\alpha_2, \alpha_3, \ldots \ldots \alpha_4\) the differential intercept coefficients.
indicate how much the intercepts of Abu Dhabi Bank,, American Exp Bank……………Hong Kong Bank differ from the intercept of ABN Amro.

**Foreign group of banks LSDV results**

Dependent Variable: Y  
Method: Least Squares  
Sample(adjusted): 1 196  
Included observations: 196 after adjusting endpoints

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coefficient</th>
<th>Std. Error</th>
<th>t-Statistic</th>
<th>Prob.</th>
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<td>X2</td>
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<td>5.377712</td>
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<td>X3</td>
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<td>X4</td>
<td>0.231067</td>
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<td>X5</td>
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<td>X6</td>
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<td>0.014311</td>
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<tr>
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<td>D4</td>
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</table>

|              | 0.453973 |              | 14.8623     |
| Adjusted R-squared | 0.388073 | S.D. dependent var | 12.86979  |
Analysis of the estimated LSDV results

From estimated coefficients of the equations by LSDV model it is found that out of six coefficients, four are highly significant as their “p” values of the estimated ‘t’ coefficients are not small. The estimated coefficient of the explanatory variables X2, X4, X5, X6 are individually highly significant and their ‘t’ statistics are very high (5.38, 1.69, 4.09, 2.12 respectively) and p values of the estimated t coefficient are very small (0.00, 0.12, 0.00, 0.03 respectively). However from the result it appears that, explanatory variables X1, X3 are not very significant at all to explain the dependent variable – profitability since their p values are high and t values are small.

Among the explanatory variables, barring X1 all the other explanatory variables X2, X3, X4, X5, and X6 are positive indicative of the fact that these 5 constituents are having positive role towards increasing profitability of foreign banks. The coefficient of the dummy variables gives the intercept values and they are statistically different for fourteen different foreign banks. The mean value of the random error component $\epsilon_i$ is the common intercept value of +12.33. The random effect value tells us how much the random error component of bank of America differ from the common intercept value and so on.

From the panel data results it appears that the adjusted R –squared for banks is 0.39, which means that the explanatory variables explain the dependent variable or profitability by about 39%. The Durbin Watson statistic is 1.51, which means that there is no auto correlation in the data.

This empirical estimation thus validates our hypothesis that, different banks in the foreign group of banks at individual level are influenced by other income components but differently. These differences in the intercepts might be due to unique features of each bank, such as differences in attitudes towards risk taking, marketing edge or overseas effects. From the trend analysis it is observed that other income as a proportion of total income and other income as a proportion of interest income both have gradually increased over time (1991-2006) for almost all banks in private and foreign bank group. Of the components of other income, commission exchange
brokerage showed declining trend for all banks but net sale investment went up. For other components no distinct trend is found.

From the panel regression results it is revealed that out of all six components of other income, X2 (net sale investment), X5 (net exchange) were individually highly significant and they contributed much higher towards profitability, while for X3 (net revaluation of investment) & X4 (net land) the contribution is negative for both groups. However on absolute terms these two components are very small.

**Directional shift in marketing for this diversification**

Though the study considers the time period 1991-2006, it needs to be mentioned that the recent global meltdown has intensified the pressure on banks in addition to the existing pressure of competitiveness in the global market and implementation of Basel II norms. If concerted effort were undertaken towards promoting the different ways of non-interest earning activities, then this would act as a supportive cushion to the banks and help them to deal with the current situation and face the global challenge more confidently with proactiveness in marketing. Further as risk factors are also addressed in the process, this diversification would also place banks on a stronger footing. India being a bank based economy, an all out effort towards promoting this non interest avenue of income generation will also have far reaching impact on the macro economic variables at large.

**Conclusion**

The study has implications for contemporary situation of the Indian commercial banks. All banks after liberalization gradually shifted their marketing attention more towards diversification in other income related instruments; but there was no robust policy norm stipulated by RBI to this effect. Moreover there was high competition which may perhaps increased volatility of income. The other important reason is that, our net exchange earnings are highly fluctuating component and since all banks especially those banks whose branches in rural and remote locations do not have much scope to earn exchange income remained partly insulated but only handful of private banks and foreign banks in major cities could take part into major diversification in net exchange operations. This helped the private banks and the foreign banks more than other 2 groups in term of revenue earnings but with increased volatility. This is precisely the reason also why 8 SBI group of banks and 19 nationalized banks are kept outside the spectrum of present study.
If concerted effort is undertaken towards promoting the non-interest earning related marketing activities, then this would act as a supportive cushion to the banks and help them to deal with the current situation and face the global challenge more confidently. Thus in a changed environment after liberalization of the financial sector there was a total paradigm shift in the business and marketing strategy of banks which made the growth of other income related business almost vitally essential. Further as risk factors are also addressed in the process, this diversification would also place banks on a stronger footing.

References:

5. Feldman.RJ, (Oct 1999) “Non interest income:a potential for profits, risk reduction and some exaggerated claims” Fedgazette, 


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Consumer Choice towards Private Labels
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Abstract
This paper deals with the consumer choice towards private labels in modern retail market. Globally, own store brands or private labels are rapidly gaining share at the cost of manufacture brands. In India, where the share of organised retail is minuscule, manufacture brands still dominate. With the retail sector poised for growth, national brand manufacturers will have to contend with competition within distribution channel, which calls for revised marketing strategy locally, to thwart the threat of the private label in a store. The phenomenon also offers national brand manufacturers the opportunity to serve the production needs of the private labels efficiently. The problem is India’s Internet-savvy consumers aren’t as convinced about Private labels as their global counterparts. Consumers may be happy with the quality of private label when it comes to kitchen towels & staples like wheat flour but are wary when it comes to buying a store version of, say, baby food or shampoo. A few lines of possible research are also suggested at the end.

Keywords: Retail Industry, Private Labels, National Brands, Retailer strategies, Retail Brand Development Strategy, Adequacy-Importance model

1. Introduction
Anybody who’s taken note of Wal-Mart’s phenomenal growth in the U.S is aware that the balance of power in the market place is shifting in favour of the retailer. As if that weren’t bad enough for the marketers hears another growing phenomenon that threatens to further weaken their hold on shop shelves and this is the growing popularity of private label brands which are essentially the retailers own brands.

However in countries like India a lot of shoppers are only just getting used to visiting supermarkets and hypermarkets regularly for their groceries and private label is still a relatively new concept for them. Additionally, the attraction of major well-known multinational brands supported by heavy advertising, means that the appeal of private label will likely be limited by its own “localized” nature.
Though private labels attracted attention of channel researchers about forty years ago, in India, private brands attracted attention primarily only in the last decade. However, research work in this area appears to leave a void. For Indian conditions, the current era symbolises the wake up call that national brand manufacturers should take note of, to effectively combat the threat of private labels. This paper assesses the recent trends in the changing scenario of distribution in India with specific reference to the growth of large retail stores and their private labels. It delves deeper into the performance of private labels and its implications to national brands in their marketing strategy.

2. Review of Literature
Modern trade retail chains and their private labels are some of the most visible elements of the transformation in Central and Eastern European countries in the last 15 years. Roman Baszun’s paper describes the situation and the potential of private labels in seven CEE countries (Hungary, Czech Republic, Slovakia, Poland, Lithuania, Latvia, Estonia) and Russia. Helen Passingham-Hughes, managing director of TNS's Asian panel network, reports on the size and growth of the private label fmcg sector in 48 countries. Worldwide private label is growing, though there are vast differences in penetration depending on retail structure, culture and geography. Seonaid Anderson and Helen Passingham’s paper outlines the current status of private label in Asia and predicts the future of both brands and private label in Asia. The presence of private label in Asia is linked to the development of the trade structure by country as well as the presence of the global retailers. Thomas Bachl’s paper addresses the role of private labels within the perspective of Western Europe and reviews the main factors affecting private label development within the region, the future of private labels vs. brands, and the impact of supercenters and hypermarkets in the changing equity of private labels. Just analyzing is not enough. Do Private labels really win? It may win in developed economy but still a question mark in developing economy. This paper deals with the consumer choice towards private labels in modern retailing.

3. Retail Scenario in India
As the corporates – the Piramals, the Tatas, the Rahejas, ITC, S.Kumar’s, RPG Enterprises, and mega retailers- Crosswords, Shopper’s Stop, and Pantaloons race to revolutionize the retailing sector, retail as an industry in India is coming alive.
Retail sales in India amounted to about Rs.7400 billion in 2002, expanded at an average annual rate of 7% during 1999-2002. With the upturn in economic growth during 2003, retail sales are
also expected to expand at a higher pace of nearly 10%. Across the country, retail sales in real terms are predicted to rise more rapidly than consumer expenditure during 2003-08. The forecast growth in real retail sales during 2003-2008 is 8.3% per year, compared with 7.1% for consumer expenditure. Modernization of the Indian retail sector will be reflected in rapid growth in sales of supermarkets, departmental stores and hypermarts. Sales from these large-format stores are to expand at growth rates ranging from 24% to 49% per year during 2003-2008, according to a latest report by Euromonitor International, a leading provider of global consumer-market intelligence.

A. T. Kearney Inc. places India 6th on a global retail development index. The country has the highest per capita outlets in the world - 5.5 outlets per 1000 population. Around 7% of the population in India is engaged in retailing, as compared to 20% in the USA.

In a developing country like India, a large chunk of consumer expenditure is on basic necessities, especially food-related items. Hence, it is not surprising that food, beverages and tobacco accounted for as much as 71% of retail sales in 2002. The share of food related items had, however, declined over the review period, down from 73% in 1999. This is not unexpected, because with income growth, Indians, like consumers elsewhere, have started spending more on non-food items compared with food products. Sales through supermarkets and department stores are small compared with overall retail sales. Nevertheless, their sales have grown much more rapidly, at almost a triple rate (about 30% per year during the review period). This high acceleration in sales through modern retail formats is expected to continue during the next few years, with the rapid growth in numbers of such outlets due to consumer demand and business potential.

4. Current Scenario in Modern Retail
Retail branding has developed to such an extent that, today, retailers are perceived as being brands in themselves rather than distributors of manufacturer brands. Many retailers have developed such a strong consumer franchise that customers are more loyal to the retailer than they are to the manufacturer’s brand. This shift is mainly due to the extensive development of own brands and a more marketing oriented approach to retailing. Retailers have been rewarded for their focus on customer needs and aspirations by increased level of trusts from customers.
Although in the past, own-brand products were positioned as cheap alternatives to manufacturers’ brands, in recent years retailers have upgraded the quality of their own branded goods.

✦ Growing popularity of private label brands, which are essentially the retailers’ own brands.
✦ Recent AC Nielsen retail audit of private labels across 38 countries 80 product categories, in more than 2/3 of the countries surveyed, private labels grew faster than manufacturer brands.
✦ Consumers in developed markets (Europe & North America) are already big believers in private label, the next round of converts will come from emerging markets.
✦ At present modern or organized retail accounts for a bare 3% of the overall market in India.

The reasons for growing popularity of private labels are analysed as follows:

On average private labels cost a third less than comparable market brands. The reason for intense penetration of private labels in the market is retail concentration (the more the number of retailers the larger the number of retail brands). 56% of consumers in 38 countries consider private label to be a good alternative to manufacture brands. Key dimensions for own brand development are the degree of innovation, positioning (i.e., the degree of identification with the retailer and its market positioning) and strategic role of the own brand. Such clear positioning has allowed supermarkets to move the rest of their own-brand offer up market.

For example, Tesco’s finest line of chef quality meals, which now includes fruit and vegetables and features the characteristic silver labels, small images and typeface across categories. This allows shoppers to instantly recognise that the products are of premium quality anywhere in the store. The increasingly sophisticated use of branding by retailers and their closeness to customer means that own brands will increasingly become leaders in many product areas.

4.1 New Developments In Own Brand Strategy
✦ Retailers are now developing their own brand packaging to project a clear corporate signature with distinct entities on their own
✦ In order for retailers to successfully position themselves against manufacturer’s brands they need to communicate the improved quality of the products to customers
✦ The success of own-label products has occurred because retailers have demonstrated that they can perform the four main functions brand manufacturers perform.
• Identification
• Information
• Guarantee of product quality
• Symbolic associations

¤ Identification & informational aspects of brand increase shopping efficiency, guarantees reduced consumer risk.

¤ Symbolic associations on the other hand provide psychological utility to consumers and allow them to make a social statement about themselves.

4.2 Retail Brand Development Strategy
Retailers can start own-brand development strategies by beginning with generics and then moving up to re-engineered low-cost brands, store brands and finally price parity as they gain experience to build confidence in own-brand development. Follow generics by cheap store brands which are a step above generics but still of inferior quality, offering a large discount against manufacturers brands. Reengineered low-cost brands are the next step up where the retailer proactively examines the product and packaging to see how costs can be reduced, whilst offering the same functionality of the branded product. The next stage is to offer par quality store brands. In final stage retail brands take leadership roles through positioning and innovation with price parity.

PRICE-QUALITY STRATEGY

<table>
<thead>
<tr>
<th>Private Label –Product Attribute and Category Choice</th>
<th>Implications</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lower price-higher quality</td>
<td>The most beneficial category to enter if the lower price can come from disintermediation and part of the savings can be used to enhance quality and raise the retailer’s margin.</td>
</tr>
<tr>
<td>2. Lower price-lower quality</td>
<td>CAUTION: The retailer must know his segment. Is he inventing a new segment? He needs to be sure of the PQ-WP equation.</td>
</tr>
<tr>
<td>3. Higher price-higher quality</td>
<td>CAUTION: Niche. Does the retailer have customers who will pay a premium for premium?</td>
</tr>
<tr>
<td>4. Higher price-lower quality</td>
<td>Reject</td>
</tr>
</tbody>
</table>
5. Research Methodology

5.1 Research Questions
The objectives of this research are two-fold:

(1) What are the salient attributes on which consumers choose both private labels and national brands? and
(2) What are the attitudes of consumers towards private labels and national brands?

5.2 Research Design
An exploratory research design suits for this type of research.

5.3 Conceptual Background
Brands attributes & Multi-attribute models drawing from past studies, various attributes have been identified to assess the consumer evaluations of private labels based on the review of the studies from which the following private labels attributes have been included:

- Brand image
- Freshness
- Healthy
- Packaging
- Prestigious
- Price
- Quality
- Risk

To assess the consumer evaluation of private labels the multi-attribute model will be used. Here we use the “Adequacy-Importance” model which also happens to be one of the most widely used model appearing in consumer behavior research. This “Adequacy-Importance” model can be described as follows:

\[ A = \sum P \times D \]

Where-
\( A \) = an individual’s attitude toward the brands
\( P \) = importance of attribute (dimension) for the person
\( D \) = individual’s evaluation of brands w.r.t the corresponding attribute (dimension).

5.4 The Survey Instrument
The 8 brand attributes identified will be fit into the model. For measuring the importance (This is ‘P’ in the “Adequacy-Importance” model) accorded to each of the eight brand-attributes on a
5 point category scale where 1= least important and 5= most important, the following questions were asked:

- I believe that the quality that I should get when I buy a product is…
- I believe that the price I pay for goods should give me value for money is…
- I believe that it is …that the products i buy are risk-free
- I believe that buying fresh goods is…
- I believe that good quality packaging of goods is…
- I believe that buying healthy goods is…
- I believe that it is… that the goods are buy are prestigious
- I believe that buying goods with a very good brand image is…

The individual brand-attribute question will then be multiplied with a corresponding question evaluating the degree of presence of the attribute in both private labels & national brands.

These questions measuring ‘D’ in the “Adequacy-Importance” model were rated on a 5 point Likert type scale where 1= strongly disagree and 5= strongly agree:

- I believe that the store brands available in this store have excellent quality…
- I believe that the store brands available in this store are excellent value-for-money…
- I believe that the store brands available in this store are not risky to buy…
- I believe that store brands available in this are fresh…
- I believe that store brands available in this store have excellent packaging…
- I believe that the store brands available in this store are healthy…
- I believe that the store brands available in this store are prestigious…
- I believe that the store brands available in this store have an excellent image…

The same questions will be asked by replacing “store brands” with “national brands”.

5.5 Sampling Design and Data Collection

100 shoppers were contacted to respond to the survey questionnaire. Only shoppers for grocery and food products were included in the study. 96 complete and correct questionnaires were received giving a conversion rate of 96 per cent. The respondents were contacted outside organized sector retail stores in Bangalore. A team of trained MBA students administered the questionnaires. Only those individuals were requested to fill the questionnaires that stated that they shopped for food and grocery at least twice a month from organized sector retail stores. The
names of well-known organized sector stores were listed to enable them to respond to this qualifying question.

5.6 Data Analysis

Attitude towards PLs for the 96 respondents will be calculated as per the following:

\[ À_{PL} = P1 \times D_{PL1} + P2 \times D_{PL2} + P3 \times D_{PL3} \ldots \ldots \ldots \ldots \ldots P_{96} \times D_{PL96} \]

Where

\[ À_{PL} \] = an individual’s attitude toward the PL

\[ P \] = importance of attribute (dimension) for the person

\[ D_{PL} \] = individual’s evaluation of PL w.r.t the corresponding attribute (dimension).

This calculation is given in Table 1. For attitude towards national brands for all 96 respondents the same formula will become:

\[ À_{NB} = P1 \times D_{NB1} + P2 \times D_{NB2} + P3 \times D_{NB3} \ldots \ldots \ldots \ldots \ldots P_{96} \times D_{NB96} \]

Where

\[ À_{NB} \] = an individual’s attitude toward the national brands

\[ P \] = importance of attribute (dimension) for the person

\[ D_{NB} \] = individual’s evaluation of national brands w.r.t the corresponding attribute (dimension).

These calculations will be done for all 8 Attributes.

**Table 1: Test of significant difference between attitudes towards PL vs. NB**

<table>
<thead>
<tr>
<th>Brand Attribute</th>
<th>Attitude towards PLs</th>
<th>Attitude towards NBs</th>
<th>t-test for equality of means; df: 94</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean</td>
<td>Std. Dev.</td>
<td>Mean</td>
</tr>
<tr>
<td>Brand image</td>
<td>11.1</td>
<td>1.66</td>
<td>1.30</td>
</tr>
<tr>
<td>Freshness</td>
<td>13.2</td>
<td>1.81</td>
<td>13.5</td>
</tr>
<tr>
<td>Healthy</td>
<td>14.1</td>
<td>0.99</td>
<td>13.8</td>
</tr>
<tr>
<td>Packaging</td>
<td>12.5</td>
<td>1.12</td>
<td>14.6</td>
</tr>
<tr>
<td>Prestigious</td>
<td>12.1</td>
<td>0.34</td>
<td>13.5</td>
</tr>
<tr>
<td>Price</td>
<td>17.2</td>
<td>1.15</td>
<td>15.4</td>
</tr>
<tr>
<td>Quality</td>
<td>12.4</td>
<td>1.33</td>
<td>16.8</td>
</tr>
<tr>
<td>Risk</td>
<td>13.5</td>
<td>2.44</td>
<td>16.5</td>
</tr>
</tbody>
</table>

The t-test values denoted by asterix (*) convey that there the difference in means is statistically significant at the 5% significance level (calculated t-value greater than 2.0).
5.7 Discussions & Managerial Implications
The data analysis of consumer attitudes towards private labels (PL) & national brands (NB) (Table 1) shows that there was a perceived difference between PLs & NBs on the attributes of quality, price, risk, packaging, prestigious and image. However, there was no perceived difference on the attributes of freshness and health. This could be due to the sustained efforts on in-store promotions of private labels. On all other factors, the comparison between private labels & national brands is as follows:

- NB>PL (NBs perceived to be better than PLs): Quality, Risk, Packaging, Prestige & Image.
- PL>NB (PLs perceived better than NBs): Price.
- PL=NB (PLs and NB perceived to be the same): Health & Freshness.

Within brand-type, the top three attributes for NBs are quality, price and packaging, and for PLs they are price, health and risk.

The results of this study are not very different from the results obtained in other retail markets. Perception of quality is an important element relating to private-label brand use, if all brands in a category are seen as sharing a similar quality, then private-label brand use is often observed to increase. But as proven in this study and other global studies, one constant finding of private-label research had been that quality is more important than price to shoppers.

Support for this belief was challenged, however, by Ailawadi et al.(2001). Burton et al. (1998) pointed out that the danger for a retailer using low prices alone with which to compete is that some consumers may use price as a proxy for quality. Richardson et al.(1994) found that private-label brands were considered by shoppers to be inferior in quality terms to national brands. It is also important to recognize the role of the quality of the store brand. Previous research has proven that if the higher quality of the store brand results in an increase in the fraction of consumers that perceives the store brand to be of acceptable quality, profits to the stores increase with increases in the quality of the store brand.

6. Conclusion
Literature review on store brands indicate that consumers' perceived quality and reliance on the extrinsic attributes have shown to be among the most relevant variables in explaining store brand purchase decisions. It has been well accepted in the field of marketing that improved
understanding of customer perceptions is crucial for marketers for successful customer satisfaction. To this end, to manage retail brands successfully, marketers have to learn more about customer needs and desires and study their perceptions of quality. This research shows that even in an emerging market like India, where perceptions towards PLs should have taken more time to be established, NBs are definitely considered to be superior vis-à-vis PLs.

According to Chavadi & Kokatnur(2008) in a study conducted by A C Nielsen in 2005, on private labels in India, it was found that 56% of the respondents believed that private labels are good alternatives to national brands. The study also highlighted that 62% of the respondents feel that private labels are good value for money. But, almost four years later, PLs do not seem to have lived up to their expectations. The customer has really not much interest in the success of PLs. Customers want good brands irrespective of their ownership, origin or sponsor. However, the success of PLs is important to retailers and could be a critical part of their strategy in terms of competition, sourcing, supply chain management, positioning, profitability and expansion. Development of acceptable- and sought after- PLs will take time, effort and strategic vision on the part of retailers.

7. Future Research Prospects

Based on the foregoing analysis, the following aspects can be researched taking the retail sector in India separately:

- What are the different strategies adopted by retail stores to promote their private brands? What explains the commonalities and what explains the variations?
- How are the national (or even regional) brands disposed toward the phenomenon of private labeling? Is there a difference in the promotional practices of the national brands between the private labeled stores and others?
- Current literature, mainly based on the Western nations’ experiences, deal with national brand versus retail brand as one-on-one issue. However, in reality, a national brand manufacturers / marketers sell many product categories through retail stores. In the context of multiple brand sales by a national brand manufacturer, what is the effect of the product-range sales on the power position in the channel? This aspect can be effectively studied through case study research method.
- Does private label result in better store loyalty? Or, does perceived store loyalty cause retailers to introduce store brands? Alternatively, what is the cause-effect direction between store-loyalty and private labeling?
• Are there differences in the way in which channel conflict due to store brands is perceived by the stores and the national brand manufacturers? Intuitively, it ought to be so. Is there significant difference? Why?
• Has there been an impact on the prices of national brands sold in the specific store after the store has launched its own brands in a specific category?
• In what categories, store brands are imitations of national brands? How are they positioned against the original? (Premium, economy or fringe)
• What research methods stores that own private brands use to collect consumers’ perception about their brands? Is systematic research pursued? This can be studied through case method research.

References
2. “Into Our Own”, Retail Biz, September 2004, p.17-18


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Experiential Branding in Retail Practices- The Road Ahead

Dr. Ramkishen Y* Riddhi Shah**

Abstract
As more and more brands add clutter to the marketplace, it has become increasingly important for the brands to differentiate themselves in the customer’s mind. Today, marketing is shifting to services as an increasing number of customers look for solutions and not brands when they make a purchase. With increasing customer segmentation, retaining existing customers has become more important than acquiring new ones.

As the retailers increase their focus on perfecting their backend operations to manage their costs, they miss out on perfecting their frontend operations that give customers the experience that bring them to that retail shop. As a retailer is the last link in a product’s value chain, it becomes increasingly important for the brands to ensure that its customers get the experience to know and live the brand. Hence, it is the retailer who should provide an experience through several activities that target one or more sensory organs of the consumer. In the long run, business would be driven by these intangibles that touch the consumer and encourage him/her to stay with the experience providing retailers.

This research paper aims to focus on developing a model that can guide retailers to provide the perfect retail experience to their customers and ensure that those profitable customers are retained for a long period of time.

Keywords: Experiential Marketing, Experiential Branding, RBE Model (Retail Brand Experience), Senses in Visual Merchandising.

Introduction
We have evolved from the traditional marketing era where brands were communicated in one-dimensional way, competition was narrowly defined and marketers survived with a myopic view of the environment, allocating a lot of advertising and promotion budget for IMC was enough to create awareness and trial for a new product in the market, marketers had enough time to react to
the changes in the environment, dissatisfied customers could only bad mouth the brand to a his family and friends.

Today is the age of communication and customer, who is no more just a part of the company’s value chain. He is well informed, updated, demanding, intelligent and well connected with a lot of people on the globe and that is why he is powerful. He is not affected by meaningless talk about strategy, positioning, brand statements, mission and values of companies and quality claims. He wants to see the company care about what he wants and pays for and not just what the company talks about.

The definitions of branding so far, have only spoken about what the brand can do for the company and products and what can they signify to the customers. But the definitions have to change to focus on what how the brands can act as a rich source of sensory, affective and cognitive associations that result in memorable and rewarding brand experiences.

Recognizing that most sales environments are multichannel experiences, with customers learning about products and services online and offline, it has become increasingly important to provide the same engaging and rewarding experience at every touch point.

**What Is Experiential Branding In Retail?**

Experiential branding in retail is a process of understanding, analyzing and implementing the sensory experiences at the store level, merchandise, corporate brand; which generates a holistic experience and contributes in creating value and identity for the retailer. Various IMC tools are used to complement the customer brand experiences for a long period of time so that the impact stays and the benefits can be reaped for a long time.

From the above definition we can understand the following:

- Experience in retail means using sensory inputs to create brand experiences.
- Experiences can be created in retail through merchandise, store and corporate brand.
- Experiential branding in retail means creating holistic brand experiences by using advanced tools of visual merchandise like point of sales and store atmospherics.
Where Can Retailers Use Experiential Branding?

Literature Review
Experiential elements do not work in isolation; they function as a holistic mechanism driving customer’s retail experience because they consist of holistic realms which allow flow between the various static and dynamic elements within the retail environment. The researcher is required to look at a wider sweep of contexts, such as temporal, spatial, social and personal.

Insights from a ‘living’ retail environment can lead to revelations on how to tailor experiential designs to: (1) The customer’s desired level of functionality; (2) The correct emotional characteristics that facilitate consumption; (3) Types of behavioral responses to holistic in-store cues; (4) Ongoing relationships with the store brand after they have left the store; (5) Experience design fit with the store brand; (6) Competitiveness of current/proposed experience strategy. (Micheal John Healy, Michael Beverland, Harmen Oppelwal, Sean Sand, 2007).

Three key factors that create experience for a visitor in a designed environment are drama and the design of the actual, arousal and the mental predisposition of the visitor to your environment; and the impact of crowds. (Stephen Mapes, 2007)
Experiential benefits relate to what it feels like to use the product and also usually correspond to product attributes. These benefits satisfy experiential needs such as sensory pleasure and cognitive stimulation. (Ulrich R. Orth, Renata De Marchi, 2007)

**Retail Brand Experience Model**

- **REASONS FOR GENERATING RETAIL BRAND EXPERIENCES**
  - STORE FORMAT (MERCHANDISE)
  - TARGET AUDIENCE

- **STORE DESIGN/LAYOUT**
  - CREATE BRAND EXPERIENCES
  - VISUAL MERCHANDISE

- **INTRODUCE STORE MERCHANDISE**
  - NOSE
  - EARS
  - SKIN (FEL)
  - MOUTH
  - EYES

- **SELECT AND IMPLEMENT STORE ATMOSPHERICS**
  - INCREASED ROI FOR RETAILER
  - GENERATES FOOTFALLS AND CONVERSION
Explaining The Model

1. **Why generate retail brand experiences?**
   - Omnipresence of information technology
   - It is a new entry in the communications industry and the agencies need to offer what the customer and the market demands.
   - Standard IMC tools are losing their charm.
   - Increasing competition pressurizes brands to differentiate themselves.
   - Customers’ involvement in the brand has become important.
   - Experiences create scope for better CRM activities.
   - Increased footfalls have a direct impact on the ROI.

2. **Store Format: Decide Merchandise**
   The look of the store is the first thing that gets in touch with a customer. Based on the store format the merchandise should be arranged. Visual merchandisers take care of the look of the store. The look of the store should appeal to the store’s target group too.

3. **Target Audience**
   Satisfied targets become loyal customers and then advocates for the brand. Hence, it is necessary to make them feel special, increase their loyalty using experiences and offer exclusive products and services to them. All about the store may be forgotten but not the experience.

4. **Store Design/ Layout**
   Successful brands are those that focus on what design makes the customer feel comfortable with the brand rather than how the brand wants to project itself in front of the customer.

5. **Create Brand Experiences**
   A retail store can create experiences through aesthetics, creating excitement, pleasure, beauty, satisfaction.

6. **Visual Merchandise**
   - POP: window displays, mannequins, facade flagpost
   - POD: Danglers, Signages, Kiosk at billing counters; salesperson
   - Eyes: tiffany, nose: shopers stop, ears: Raymond, skin: AC red lounge, mouth: fabindia
7. **Store Atmospherics**
   These are ambient conditions of the store (visual, aural, olfactory and tactile cues), which can be used to increase a consumer’s rate of consumption, and influence customer product evaluations and purchase behavior.

8. **Select and implement store atmospherics**

9. **Footfalls and Conversion**
   Happy and satisfied customers visit the store again and again to relive the experience provided by the store.

10. **Incremental Returns to the Retailer**
    A store that can create the right experiences for its customers ends up converting them into loyal customers and hence guarantees itself returns on investment.

**Some Ways Of Understanding The Underlying Needs Of Customers**
- **Image sorting** - Participants sort images based on similarity. Researchers analyze the underlying meaning.
- **Visual elaboration** - Participants generates another picture that would reinforce the meaning of the current one.
- **Sensory explorations of images** - Participants use non visual senses to convey core meaning of the picture.
- **Vignette generation** - Participants describe a short movie that portrays their feelings.
- **Creation of digital image** - Participants are asked to digitally manipulate scanned pictures.

**Issues in Implementing Experiential Marketing Tools**
- Should the organization enrich a given experience by adding additional experience providers that provide the same experience or simplify the experience by concentrating it into certain experience providers?
- The organization should stick to one experience or should it broaden its experiential appeals from individual experiences to experiential hybrids and holistic experiences.
- Implementing experiential marketing for a brand is costly. A company has to complement it with the use of standard IMC.
• Each customer has a different experience and hence, it is difficult to measure and evaluate the impact, the benefits cannot be reaped in framing strategies for the future and consistency cannot be maintained.

Scope for Future Research
The only thing that is constant is change. The market has been changing its orientation from commodities to goods to services and now to experiences. The era of experiences will stay till the market is looking for something new. The theory of lifecycle works here too. When experiences were new, every company that gave experiences to its customers was successful in converting the expenses to investments and reaped benefits from them. At some point in time, customers will get bored of experiences everywhere they go. Like products and brands, experiences will also get commoditized one day.

With a shortage of retail spaces, the kind of experiences that brands can provide will also change. Companies would have to innovate ways of optimizing the use of the limited physical spaces available. Competition will get bloodier and marketing warfare would get intense. As customer lifestyle gets more hectic each day, there would hardly be any time to go to shops and know more about the brand. Internet is also making inroads in the market. Communication is bringing people closer and becoming the centre of everything. Customers are going online.

Market demands companies to be innovative in reaching out its customers. The warfare tool is the internet and only time will tell how marketers can explore this tool and survive in the new era of marketing. Darwin has rightly said in theory: Only the fittest will survive.

Conclusion
This research paper focuses on experiential branding in retail only because in the current scenario, many brands are creating experiences for their customers in some way or the other. Every touch point for the customer has been explored to create a connection with the brand. To keep the research paper focused on a particular topic, experiential branding was narrowed down to retail.
With the change in consumer tastes, preferences and wants, brands have to continuously work hard to stay relevant to the consumer. Providing experiences is the new “in” thing of reaching out to the customer. Companies are banking on the experiences to acquire and retain customers. Various senses of the customers are utilized to create experiences in the retail stores. The strategy changes with respect to the store format, design, target audience etc. visual merchandisers are being appointed to take care of the first touch point of a store: the overall look. Internet is the next big thing in reaching out to the customers. As the blue ocean of experiential marketing gets bloodier, marketers may have to explore internet to differentiate them from the clutter. Further research can be done to look into the next era of marketing.

**Case study: Colors by Asian Paints**

**The company**

Asian Paints is India’s largest paint company and the third largest paint company in Asia. It operates in 22 countries and has 30 paint manufacturing facilities in the world. It operates around the world through its subsidiaries Berger International Limited, Apco Coatings, SCIB Paints and Taubmans. Its rivals include Kansai Nerolac, Berger and ICI (Dulux and Velvet Touch). Its volume growth has been driven largely by Tier II and Tier III cities, which today fetch approximately 65 per cent of its revenues.

- Asian Paints has opened a 6,000-sq feet signature store in Bandra to show customers how a home can be done up. The place doesn’t sell a single can of paint -- it is merely a meeting ground for customers and interior designers.
- A brand new chain of smaller premium retail stores called "Color Ideas" has been rolled out to provide the consumer with the right ambience in which to check out all the options and get some advice.
- Asian Paints also connects with customers through the Home Solutions initiative -- a home-painting service which was started in 2000.
Asian Paints’ Emotional connect

- Asian Paints has several decorative paint brands. For exteriors, there are Apex, Ultima and Duracast. For interior distempers, there are Tractor and Utsav. In emulsions and enamels, its flagship is Royale.

- In the early part of the decade, Asian Paints was not the leader in the premium space -- the spot belonged to ICI's Velvet Touch. The company felt it needed to create a campaign that positioned Royale as a lifestyle brand.

- The benefits of aspirational positioning are paying off because spending power has increased; top-end products that fetch higher margins sell more than the products in the value-for-money range. Emulsions are outselling distempers.

- Asian Paints decided it needed a twin branding strategy and so it launched the umbrella brand through the Har ghar kuch kehta hai campaign.

The Color store

The Asian Paints Color Store, a home decorating showroom and flagship store in India, was honored as Store of the Year by the Retail Design Institute (RDI) in its 38th annual competition. Designed by Fitch world, the store sells no products and is inspired by “holi,” the Indian color festival. It’s meant to create an environment that is “a walk in a home décor magazine.”

The color store gives a warm welcome to those who enter. When you enter the store, a well dressed salesperson welcomes you and takes you through the store. He educates you about the moods of various colors and their light requirements. The store is very big and every section is designed as if it were a separate room.

When you enter the store, you are offered to pick a softwood pencil of your choice. You can choose between orange, green, red, blue and purple. The color of the lights in a particular area changed according to the color tile you put your feet on.
What can you find at Colors?

- **Shade Display Unit:** National Institute of Design, Ahmedabad specially designed each of the 1000 unique shades for the Indian tastes. Each shade is present with a ready to use combination. An extensive range of 1500 pastels and super pastels are arranged in a spectrum provided over 150 shade combinations.

- **Interactive Computer System:** There are several living room, bedroom and kitchen setups already fit in the software. The user has to select one color and the software will paint the walls with those colors.

- **Corob Tatocolour Automatic Simultaneous Dispenser:** It is used to get the tinting bases for the colors the customer has selected.

- **Take Away Shade Strips:** With suggestions about the appropriate lighting and furniture, these take away strips act as interior design guide for the user.

- **Assistance:** The color experts in Colors help the customers with tips on which paint to use depending on the surface and also the cheapest price possible for those paints.

- **Timely delivery:** Colors makes it a point to deliver the buyer’s choice of colors in the right quantity and time.

- **Gyroshaker:** 1/4/10/20 liter gyroshakers have been installed for paints mixing at the store.

- **Experiencing the joy of painting:** There is a space where a painter teaches the visitor how to paint different kinds of textures free of cost. The painted canvas joins other such canvases on the wall dedicated to the visitors, who painted while they came to colors.

- **Workshops:** Colors conducts free workshops during weekends for all those who are interested in painting.

- **Knowledge of colors:** The color expert at Colors spends adequate time with each visitor. He shares his knowledge about colors, educates about the nature of different colors, how colors complement the furniture and light and mood of the room.

- **Sample colors:** Colors sells small bottles of Asian Paints’ shades for convenience of the users.

*One leaves Colors with the thought that when he builds his own house, he will paint it with Asian Paints only. What more can a brand ask from a customer who spends 30 minutes in its store?*
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Green Marketing in India –Way Ahead to Sustainability

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Abstract
Indian market has a great challenge for the eco –responsible organization as it is not only one of the world’s largest consumption bases but also it is very price sensitive. Eco-responsible (Green) organizations have a tough task to optimize their product offering mix in such a way so that they can not only attract consumer towards them but also can have their products price competitive. As India is one of the fastest growing economy therefore it has drawn attention of most of the global companies to set up their base in India to tap this lucrative market. As Indian market is still in evolving phase there is a huge potential to bring awareness for eco-friendly products. As India is world’s 2nd largest populated country the natural resources are already under tremendous pressure and therefore there is an urgent need to pay attention for a right balance between consumption with conservation of natural resources.

This paper discuss the role of different stakeholders in ‘Go Green strategy’, the scope of green marketing in India, the challenges and opportunities for the eco-companies for marketing in Indian context.

Introduction
Today’s scenario of continuous change in lifestyles and demands of consumers has raised the concern of the organizations to tap the market with new strategies and environmental concern is a new mantra today to showcase their contribution for environmental awareness and corporate accountability towards real improvement in environmental degradation caused by them. Organizations success is no more measured not only by financial performance, but also by their ecological and social accomplishments. In addition, the current economic climate has reinforced the need to plan for long-term sustainability of organization as well as natural resources. The “Triple Bottom Line” of people, planet and profit is incentivizing companies to innovate in order to satisfy society and shareholders alike, and to explore and gauge the potential of newer methods and markets.
Balancing economic interests along with social and environmental responsibility is referred to as “sustainability,” a growing approach to business that has led stakeholders to put increased pressure on companies to optimize their goals and corporate responsibility. Yet the messages are mixed and quite fuzzy. Shareholders expect from companies to generate profits, but they also want from these companies to make a positive contribution towards society through negating environmental impact. Employees, regulators and, the customers all want a company to do well in financial and growth term, but they also want it to “do good.” Innovative organizations that are successful in this space have explored competitive advantages inherent in embracing sustainability.

Consumer is ruling the market today and they are exercising their “vote” with everything they purchase (Ottman, 2006; Polonsky, 1994; Prakash, 2002). By a conscious decision to exchange money for a good or service, a consumer is validating the importance of that good or service. Today customers put a lot of emphasis on choosing products that they believe in on an ethical level. On one level, this might mean, say, avoiding clothing stitched by child laborers. For another consumer, the tipping point might be the way the company treats the environment in their design, testing, and production processes.

Businesses like Starbucks, organic farmers, Philips, and many others have been extremely successful in the international marketplace simply by using some basic but little-known concepts to make a customer's "voting" purchases work for them. Look a Toyota vs. Ford or Chevrolet. Both Ford and Chevrolet did not move fast enough in bringing more fuel efficient and cleaner vehicles to the forefront when gas prices started shooting up and the environment became a hot topic again. Toyota steadily moved to the front of the pack while Ford and Chevrolet stumbled behind. Moving too slow and too late in letting consumers know they cared about the environment. That doesn't mean they weren't producing greener vehicles. Their companies were just never perceived as having a new line of green products that consumers craved.

According to a recent study for North America, Eco Markets 2009 (Kate Rusnak, 2009), respondents attributed some importance to all of the purchasing factors indicated in the survey, price and performance were ranked as most important in a list chat also included environmental
and social considerations. Comparing "green" packaging products against traditionally used containers, bags and sacks revealed that slightly more purchasers believe that green packaging costs more while 30% see it as costing the same. Throughout the EcoMarkets study, findings suggest there is plenty of room for green product growth in the marketplace. When it comes to selecting green products, eco-labels can increase trust and confidence in green products.

Successful businesses have realized that at the end of the day a business is going to be assessed by its profits as well as contribution to human potential and harmony with other resources, both natural and artificial. However, Selling environment-friendly products is almost as difficult as cleaning it up. It entails much more than a new package, using recycled material instead of virgin ones and natural and organic ingredients instead of artificial ones. Marketers have historically faced an uphill battle when it comes to marketing eco-friendly goods. Simply put, it is difficult to influence consumer purchase behavior without first impacting attitudes and values (Thogersen and Olander, 2002). These values, however, take a concerted effort over a long period of time to change.

This paper discuss the role of different stakeholders in ‘Go Green strategy’, the scope of green marketing in India, the challenges and opportunities for the eco-companies for marketing in Indian context.

**Go Green Strategy and different stakeholders**

There was a time in history when men started economic activities and marched towards civilization. Industrial revolution in eighteenth century bought a revolution and earning profits from economic activities had become the prime drive. Exploitation of people and planet had become corporate motive to get profits. Later towards the end of 19th century corporate world realized the importance of people in economic activities. Now it is the time to talk about our planet because a balanced integration of all three factors can only bring a sustainable development of any nation.
AWARENESS STAGES IN ECONOMIC DEVELOPMENT OF INDUSTRIES

Social and environmental responsibility of a nation involves many stakeholders. Prize–winning author and New York Times columnist Thomas L. Friedman argues that government policy and industry should engage in a “geo-green” strategy to promote energy efficiency, renewable energy, and other clean-tech innovations to help alleviate the nation’s dependency on oil from politically conflicted regions of the world (Jacquelyn A. Ottman, Edwin R. Stafford, and Cathy L. Hartman, 2006). Besides state and industry it is consumer who is an integral part of the value chain of go green. Arnulf Grubler (A. Grubler, 2006) wrote in Environment, “To minimize environmental impacts by significant orders of magnitude requires the blending of good engineering with good economics as well as changing consumer preferences.”
So to implement the Go Green strategy and to make it successful in any nation it is an integrated effort required from state, Industry and consumers to make this planet a safer place to live. Though government of both developed and developing nations is taking several steps to conserve energy and bringing in cleantech innovation, Companies are also finding it as a lucrative strategy to tap the consumer market. According to Ottman (2006) a strong commitment to environmental sustainability in product design and manufacturing can offer to companies’ opportunities to grow their businesses, to innovate or to build brand equity. However to exploit these economic opportunities to steer global commerce onto a more sustainable path, green products must appeal to consumers outside the traditional green niche. The marketing discipline has long argued that innovation must consider an intimate understanding of the customer and a close look at green marketing practices over time reveals that green products must be positioned on a consumer value sought by targeted consumers.

**Green Marketing: Concept and Literature Review**

Concept of Green Marketing is still in its embryonic stage and not very substantial literature has appeared. It was early seventies when the whisper of ecological marketing came into existence by Henion and Kinnear (as quoted by Polonsky 1994). But it was late 1980s and early 1990s that world started talking about it. In their publications in 1976 Henion and Kinnear defined the ecological marketing as “the study of the positive and negative aspects of marketing activities on pollution, energy depletion and non-energy resource depletion (Henion and Kinnear quoted by Polonsky 1994, p2)”.

The concept of green marketing seems to take its foundations into the concept of traditional marketing itself (Polonsky, 1994; Charter et al, 2002). According to Prakash (2002), the relationship between the marketing discipline, the public policy process and the natural environment is important. This relationship is described by many terms: environmental marketing (Coddington, 1993), ecological marketing (Fisk, 1974; Henion and Kinnear, 1976), green marketing (Peattie, 1995; Ottman, 1992), sustainable marketing (Fuler, 1999) and greener marketing (Charter and Polonsky, 1999).
Miller (2008) claims that green marketing is a concept that, when implemented effectively, can improve the customer relationships, image in the market and ability to reach the most targeted audience, while helping grow the bottom line.

Various views have been developed in order to implement a green marketing strategy. Glorieux-Boutonnat (2004) argues that the concept tries to mix two concepts which have diverging goals. According to her the marketing focuses on seducing consumers and generating profitable sales rapidly and they take the environment into consideration as far as it helps achieving that goal. Still, according to Miller (2008), green businesses continue to evolve, and new companies are joining the trends. Polonsky (1994) however noticed that unfortunately a majority of people believes that green marketing refers solely to the promotion or advertising of products with environmental characteristics. This also explains why the concept is often linked with terms like phosphate free, recyclable, refillable, ozone friendly... He also claims that the green marketing incorporates a broad range of activities, including product modification, changes to the production, packaging changes, as well as advertising.

According to the American Marketing Association, green marketing is the marketing of products that are presumed to be environmentally safe. Thus green marketing incorporates a broad range of activities, including product modification, changes to the production process, packaging changes, as well as modifying advertising.

Interestingly, green marketing continues to be an issue of global interest. In fact, Google Trends reports that, on a relative basis, more searches for “green marketing” originated from India than from any other country.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Country</th>
</tr>
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<tbody>
<tr>
<td>1</td>
<td>India</td>
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<td>2</td>
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<td>6</td>
<td>Canada</td>
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<td>7</td>
<td>China</td>
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</tbody>
</table>
Traffic to the Marketing Green blog confirms the fact that green marketing is a global issue. A recent Site Meter snapshot of site visitors based on referring location indicates that a significant percentage of traffic originates outside of Western Europe and North America.

**Green Marketing in India**

Marketing ‘Green’ in developing countries is a challenging task. There are several factors that differentiate the Indian consumers from consumers of developed countries. Some of the important factors are:

- Disposable Income Levels
- Low level of awareness
- Degree of New product acceptance
- Percentage of Literacy
- Less developed means of communication
- Language barriers
- Use of redundant technologies in most of the companies in India.

Despite all the barriers India is leaving its footprint in the field of environmental awareness. A survey conducted by BT-AC Nielsen ORG-MARG, (As quoted by Tushar Mathur, 2008) ranked Oil and Natural Gas Company (ONGC) the greenest company followed by Reliance Industries. Overall, the oil and petroleum sector was considered the greenest sector in India. BPCL, Castrol India and HPCL are other companies in this sector that were rated green companies in the survey. The private sector companies were in a majority (13 out of 20) in the list of Top 20 greenest companies in India. India’s software companies are also considered green companies. IT companies are allowed to set up their offices within the city limits. This is because they do not harm the environment. Johnson and Johnson Ltd., Chillibreeze, IBM, LG Electronics, PNB, Tata Motors and Hero Honda Motors are some of the other green companies in India.

India is a world leader in green IT potential, according to a recently released global enterprise survey. Indian respondents scored over respondents from 10 other countries in expecting to pay 5% or more for green technology if its benefits for the environment and return on investment (ROI) are proven. The rest of the countries lag because they scored either on expectation to pay
at least 5% or more or preferring green technology with proven ROI—and not both. (Fe Bureau, 2008)

**Avenues in India**

There are several areas where India can lead in the field of green marketing. Handicraft and handmade papers are a big opportunity India could explore other than solar power can be an important source of power for India (ChilliBreeze). These are the reasons why India should focus more on solar power:

- India gets plenty of sunlight due to its proximity to the equator. It receives an annual average of 4-7KWh per day for every square meter, meaning the country receives a lot more sunlight than what it can use in a year, making it an abundant source of power.
- India is a poor source for conventional fuel sources. It is dependent on the Gulf countries for its oil supplies. With the oil prices skyrocketing and the reluctance of the Indian government to hike the prices of LPG and kerosene, Indian oil companies are suffering major losses. Even electric supply in the country is unable to meet the burgeoning demands of the growing population and businesses.
- India does not have resources to pay the huge bills of the oil producers.

Keeping in mind the growing potential of solar power generation, several large players have entered into this business. Solar Power India, Tata and Reliance Industries are some of the biggies that have major plans for this industry. This will give a big boost to this field as these companies can invest a lot of money in research to make the technology cheaper. This, in turn, will make solar energy accessible to the common man. As more and more people take to solar power, the costs are expected to reduce.

**Conclusion**

Green marketing is still in its infancy and a lot of research is to be done on green marketing to fully explore its potential. Green marketing should not neglect the economic aspect of marketing. Marketers need to understand the implications of green marketing. Marketers also have the responsibility to make the consumers understand the need for and benefits of green products as compared to non-green ones. In green marketing, consumers are willing to pay more to maintain
a cleaner and greener environment. Finally, consumers, industrial buyers and suppliers need to pressurize effects on minimize the negative effects on the environment-friendly. Green marketing assumes even more importance and relevance in developing countries like India & Pakistan.

The significance India will have on the the world in the future will be extraordinary, we’ve only scratched the surface. The thing that remains to be seen is the importance green business has in India. Tackling mass poverty is the first thing that is happening, and it should be the first thing that the country emphasizes. India will be an economic powerhouse, and could be a leader in green business if they choose to be. The direction that business takes in India will have massive impact on the world. If business leaders there recognize the vast potential that green business has, and then decide to invest time, money, and effort, the world would only benefit. India is in a very unique position right now, they could either lead the world, or potentially aid in its destruction.

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CRM – Shaping up the Consumer Behavior through Cross-selling and Up-selling Strategies in Consumer Market

Pallavi Asha

Abstract
Customer Relationship Management (CRM) is an emerging area of marketing, which was germinated in early 1990s. CRM goes beyond the principles of transactional marketing and is focused upon relationship marketing by retaining the existing customers and by acquiring the new customers. In an era of increasing disposable income, plethora of choices for goods and services with multiplier effects of globalization and most importantly, customer-friendly credit policies enforce, consumers always search for better and newer options. As a result, companies find it challenging to gauge the rapidly changing consumer behavior; therefore a strategic and structured initiative is required to retain and expand the customer base.

The proposed research is an attempt to probe into the significance of:
Cross-selling and Up-selling approaches to CRM in shaping up the consumer behavior.
To what extent and to which customer segments these kinds of customer retention and acquisition strategies influence the consumer behavior?

What are the implications of different cross-selling and up-selling strategies like Membership cards, Loyalty Programmes, Earn and Reward Points, Referral Incentive Programmes?

The research output will comprise the following:-
1. A literature survey to understand and highlight the role and significance of customer relationship management in influencing consumer behavior.
3. Impact, Explanation and Assessment of Cross-selling and Up-selling strategies on consumer behavior across different customer segments.

The study outcome will provide significant inputs to both the marketers and academicians.

Keywords: Customer relationship management, Cross-selling, Up-selling, Retention, Acquisition, Consumer Behavior.
Introduction

Customer Relationship Management is the emerging sub-discipline of Marketing. The business goals of CRM revolves around retaining existing customers, differentiating customers and offerings, maximizing customer lifetime values by exploiting full potential of Cross-selling and Up-selling, increasing personal touch, communication and loyalty, achieving higher revenues per customer.

Among manifold business goals, Cross-selling and Up-selling strategies are the two basic approaches of Customer Relationship Management which have cropped up as a new marketing tool to influence consumer behavior in the consumer market.

Consumer market is the market for consumer products and services like FMCG, Apparels and Accessories, Cosmetics, Personal Care, Foods and Beverages, Consumer Durables, Home Appliances, Consumer Electronics, Automobile, Telecommunication, Housing, Banking and Financial Services, Recreation and Entertainment, Airlines, Retailing etc. Consumer market is flooded with lots of promotional schemes, offers and discounts to attract and allure the customers to spend more money. Now the question is how to influence the behavior of the consumer so that they are attracted towards spending more money.

Consumer Behavior is the behavior that consumers display in searching for, purchasing, using, evaluating and disposing of products & services that they expect will satisfy their needs (Schiffman and Kanuk, 2000). This means that understanding the consumer and to create a customer out of him is of utmost importance for the marketers as it helps in identifying what motivates the consumer, what induces him to buy, why does he buy a specific brand, why does he buy from a particular shop, why does he shift from one shop to another or, from one brand to another, how does he react to a new product introduced in the market or, a piece of information addressed to him, what are the stages he travels through, before he makes the decision to buy? Once the marketer is able to find out the answer for the above-mentioned questions, it becomes easier to formulate consumer-oriented strategies for cross-selling and up-selling products.
In this background, the proposed research is an attempt to probe into the significance of:

- Cross-selling and Up-selling approaches to CRM in shaping up the consumer behavior.
- To what extent and to which customer segments these kinds of customer retention and acquisition strategies influence the consumer behavior?
- What are the implications of different Cross-selling and Up-selling strategies like Membership cards, Loyalty Programmes, Earn and Reward Points, Referral Incentive Programmes?

**Objectives of the Study**

**Primary Objective**
To establish whether Cross-selling and Up-selling strategies play significant role in shaping up consumer behavior.

**Secondary Objectives**

1. To what extent and to which customer segments these kinds of customer retention and acquisition strategies influence the consumer behavior?
2. To determine the implications of different Cross-selling and Up-selling strategies like Membership Cards, Loyalty Programmes, Earn and Reward Points, Referral Incentive Programmes.

**Significance of the Study**
The paper, exploratory in nature, provides an understanding of cross-selling and up-selling strategies in shaping up the behavior of consumers across different customer segments. Based on secondary research blended with personalized experiences, the paper attempts to assess the impact of different cross-selling and up-selling strategies like Membership Cards, Loyalty Programmes, Earn and Reward Points, Referral Incentive Programmes.

**Literature Review**
Various authors and experts have defined CRM in different ways. World's leading information technology research and advisory company Gartner defines CRM as “a business strategy in which the outcomes optimize profitability, revenue and customer satisfaction by organizing
around customer segments, fostering customer-satisfying behavior and implementing customer-centered processes”. Another definition given by Technology consulting firm Forrester states “CRM to be the set of processes and supporting technologies used to acquire, retain and enhance customer relationships”. According to PricewaterhouseCoopers “CRM is a business strategy that aims to understand/ appreciate, manage and personalize the needs of an organization’s current and potential customers”. In the words of Parvatiyar and Sheth – “CRM is a competitive strategy and process of acquiring, reacting and partnering with selective customers to create superior value for the company and the customer”. It is clearly seen from these definitions that CRM is a strategy which is focused upon acquiring, retaining and managing the customer relationships through a better understanding of consumer behavior leading to customer satisfaction.

According to CRM expert Bob Thompson “CRM is a business strategy that applies to every organization. It means working with customers such that they receive great service and are motivated to return again and again to do more business with the company.” This definition clearly explicit the fact that if the customer behavior is properly understood and addressed by the marketers, consequently the customers will feel more associated and become loyal to the company.

One of the accepted definitions of CRM says “Customer Relationship Management is the process of managing the detailed information about individual customers and carefully managing all the customer “touch points” with the aim of maximizing customer loyalty”. CRM leads to customer satisfaction through better customer experience, greater customer lifetime value and enhanced customer retention.

CRM Strategies are basically aimed at customer acquisition and retention. Customer acquisition is the process of searching customers who are new to the company or, new to the category, studying and analyzing their buying behavior, profiling the customers and communicating customer-focused marketing programme. By analyzing the customer needs and updating them about new offerings, personalized communications and improving customer satisfaction helps in ensuring customer retention and loyalty through long term relationship with the company over a
period of time. These customer acquisition and retention strategies have gained momentum because consumer markets are witnessing change at a faster pace, which calls for new opportunities and challenges. This can be attributed to dramatic shifts in the buying behaviour, growing urbanisation, emergence of the service sector, changing trends/lifestyle, and most importantly, the increasing power of the retailer as the key link between buyer and seller.

**Review Of Cross-selling and Up-selling Strategies In India**

A careful review of literature and observation of cross-selling and up-selling strategies to influence consumer behavior suggests that it is 7-12 times cheaper to retain existing customers than to acquire new ones. 95% of unhappy customers will return if an issue is resolved quickly and efficiently. The company loses 10 customers for every 1 who complains about poor service (*Source: National Association of Retail Marketing Services*).

In an era of cut-throat competition where large no. of players are fighting for wafer-thin margins and shrinking marketing budget, companies have come to realize that it is easier to maximize profit by cross-selling services to existing customers than to attract new customers. It is often observed that consumers purchase multiple products and services from the same marketer if they are satisfied with one product. For e.g. if a customer buys LG color television, he is most likely to buy other durable products like microwave oven, refrigerator, washing machine etc. from the same company. This is how this commonly observed situation offers huge opportunities for companies carrying multiple products and services to “cross-sell” other products and services to their existing customers.

**Cross-Selling:**

Cross-selling is defined as process of using existing customer base to selling an additional product or service. It is the strategy of selling new products to one’s current customers based on their previous purchases. It not only increases the customer reliance on the company, but decreases the risk of customer switching over to another company. The objective of cross-selling is to leverage the exiting relationship with client to increase the business and also to cater to the need of customer which will help in increasing brand loyalty. The approach to the process of cross-selling requires careful study of customer data and to extract their preferences, spending
pattern etc. Based on the data the strategy of cross-selling in decided and target population is selected. There is an element of risk as well since if the cross-selling is not applied properly it may impact the existing relationship with the client. In today’s business scenario, acquiring new customers has become extremely expensive. So, the general business thinking is that since it costs manifold to get a new customer than it does to keep an existing one, more business should be encouraged from the existing clients.

**Up-Selling:**

Up-selling, as discussed in the paper, is the process in which companies use the existing customer to sell some of the high-end products depending on their usage pattern and preferences. The focus is to offer value-added services to premier customers which will be a win-win situation for both the company and the customer. It helps in selling the high-end products by studying the customer data for the company and it also leads to customer delight due to the value-added services provided to them. In other words, Up-selling is a sales technique where by a salesperson attempts to have the customer purchase more expensive items, upgrades or, other add-ons in an attempt to make a more profitable sale.

Upgrading the status of customer using credit card is a classical example of upselling. For example a credit card owner is upgraded from Silver to Gold, from Gold to Diamond, from Diamond to Platinum based on their spending pattern.

Another example is when a customer visits a restaurant for having a food, he places order for Main Course directly. But when waiter asks him “What would you like to have for starter which the customer hasn’t probably thought of?” the customer rethinks and re.places the order for Starter also by the time he is getting served with main course.

It’s very important to analyze the customer data and use analytics for coming up with strategies for cross-selling and up selling. In Indian market the following customer data is used for identification of the target customer segments and definition of strategies:
As it is clearly shown in the above diagram, consumer’s need and desire, lifestyle, demographics, shopping attitudes and environmental factors behavior are analyzed while formulating cross-selling and up-selling strategies. The idea behind developing such cross-selling and up-selling strategies is to build lasting relationships, to gain profit through extended product usage, to gather information, to strengthen loyalty, to defend, to preempt competition.

A brief review of these cross-selling and up-selling strategies is discussed here under:

- **Membership Cards**

  Membership card, the most commonly used form of cross-selling, is the card which is issued to the customer on a certain amount of purchase and in turn, the card holder gets some discounts for e.g. 5%, 10%, 20% on every purchase from next visit. This strategy is predominantly used in retailing sector in consumer markets like big retail outlets, shopping malls, departmental stores etc where everything is sold under one roof. The idea is to attract more customers by offering them an array of products and inducing them purchase more in order to avail discounts. Retail
stores like Shopper’s Stop, Westside etc. heavily employs such strategies for generating more revenues from existing customer base.

➢ **Loyalty Programmes**

“Loyalty Programme” can be defined as a programme that allows consumers to accumulate free rewards when they make repeated purchases with a firm (Yuping Liu, 2007). As mentioned, a customer loyalty program is one that is designed specifically by a retailer to reward its most loyal and best customers, with whom it wants to form and keep long-term relationships. In other words, Loyalty programs are structured marketing efforts that reward and therefore, encourage loyal buying behavior; a behavior which is potentially of benefit to the firm.

As an important component of firms’ customer relationship management (CRM) strategy, loyalty programs aim to increase customer loyalty by rewarding customers for doing business with the firm. Through these programs, firms can potentially gain more repeat business, get more opportunity to cross-sell and at the same time, obtain rich consumer data that aid future CRM efforts (Yuping Liu, 2007). Loyalty Programmes span across various industries for e.g. FMCG, Consumer Durables, Retailing, Banking, Hospitality and Airlines sector (Frequent Flyer Program), Levi’s LOOP Consumer Loyalty Programme.

➢ **Earn and Reward Points**

i-mint is a unique rewards program that helps us earn points for the things we do daily, like refueling, traveling, shopping, eating out, watching movies, flying etc. Most prominent feature about i-mint is the products for which the points would be redeemed. The programme is designed in such a way that it yields multiple benefits to its members. Following are the examples of earn and rewards points scheme:

- Earn points from multiple partners in the same transaction. For eg: Buy Air India tickets on MakeMyTrip.com and pay with your ICICI Bank Credit or Debit card to earn points from all 3 partners in the same transaction.
- By quoting i-mint card no., use your ICICI Bank Credit card to book movie tickets on Bookmyshow.com to earn points from both partners in the same transaction.
• Buy fuel at i-mint affiliated HPCL outlet before 30 the Sep 2009 and earn 50 bonus points on your 1st swipe. Pay with your ICICI Bank Card and get points from both ICICI Bank and HPCL.

➢ Referral Incentive Programmes
Word-of-mouth Marketing is marketing a good or a service by the message spread by customers where the communication takes place voluntarily and informally between people or groups. It can also be referred to Referral Marketing in that consumers refer to the experience of other consumers in the process they start to be aware of a product or a service, form an opinion and finally make a purchase (K. Bauknecht et al, 2006). Most of the companies develop a referral incentive programme to reward their customers for giving referrals. There is a wide variety of incentives are given to the customers based on business generated like gift certificates, purchase discounts, cash payment etc. It is worth mentioning that not only the product marketers are employing such kinds of schemes but also service marketers like Hotels and Restaurants, Multiplexes, Gym and Physical Fitness Centres develop schemes to reward their customers. One good example of referral incentive programme can be “Share your experience of Abs For Her with your Friend/ Relatives and avail one month complimentary membership if they join; offer is valid up to certain period.”

Axis bank introduced a scheme under which the existing account holders were requested to give the contact details of 5 people who didn’t have an account with the bank. Details of the people who gave the references were collected and a draw was held. The winners in the draw were given 10 gms gold coins. The purpose of this exercise was to develop a database of potential customers, target them with the tools of direct marketing and offering the products to them.

In today’s competitive arena strong customer focus is key to success. Insights into conflicting desires & pressures affecting customers are a powerful ally in building successful strategies for sustaining growth. The whole process is depicted in the below diagram:
Impact, Explanation and Assessment

The huge impact of cross-selling and upselling is explained with the help of following table:

<table>
<thead>
<tr>
<th>Details</th>
<th>Cross Selling</th>
<th>Up Selling</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Definition</strong></td>
<td>Inducing someone to buy a complimentary or related product or service</td>
<td>Inducing someone to buy a bigger or better version of originally intended product</td>
</tr>
<tr>
<td><strong>The Philosophy</strong></td>
<td>What else will you like?</td>
<td>How else can this be made to work better for you?</td>
</tr>
<tr>
<td><strong>Benefits to The Company</strong></td>
<td>- Increase In Revenue</td>
<td>- Increase In Revenue</td>
</tr>
<tr>
<td></td>
<td>- Improved Customer Loyalty</td>
<td>- More bigger commitments</td>
</tr>
<tr>
<td></td>
<td>- Selling of new products to old customers</td>
<td>- Sales cycle is shortened</td>
</tr>
<tr>
<td></td>
<td>- Cross Selling is cheaper than making a new sale for an item.</td>
<td>- Secure long term position</td>
</tr>
<tr>
<td><strong>Benefits to Consumer</strong></td>
<td>Improved Service</td>
<td>Improved Service</td>
</tr>
</tbody>
</table>

From the above discussion, it can be interpreted that cross-selling and up-selling is of utmost importance because it helps in:

- Capturing larger share of the consumer market through increasing wallet share and occupying mind share.
• Offering complementary purchase along with original purchase which helps in generating more revenues for the company.
• Educating customers to understand the benefits of cross-sell and up-sell products.

Managerial Implications
Cross-selling and Up-selling strategies play a significant role in shaping up consumer Behavior

Cross-selling and up-selling strategies can be applied to any business situations. A medical store which provides different services under one umbrella is an outstanding example of cross-selling. Services such as movie tickets, mobile prepaid coupons, booking facilities for bus etc. are a kind of one-stop solution which is liked by the customers. As a result, customers go to the same medical store again and again which in turn, also increases customer loyalty. For e.g. Airtel is selling Pre-paid, Post-paid, Broadband, DTH Services to an existing customer. Another example is LG sells CTV, Refrigerator, Micro-wave, Washing M/c etc. to a single customer level of extent and the influence of customer retention and acquisition strategies

The techniques of these cross-selling and up-selling strategies are being used widely across many areas such as:
• **Real Estate:** A real estate lawyer or accountant may try to sell his clients his firm’s services in, say, trusts and estates.
• **Telecom:** A telecom company may offer more value added services to its customers, like discounted SMS or internet facility.
• **Automobiles:** A Car agency may sell breakdown insurance along with its car model.
• **Software firm:** A Software company doing development work for a client may offer testing services too and vice-versa.
• **Internet Shopping:** While buying something online, a pop-up window may be opened consisting pricing and other details of any promotional product.
• In online scenarios, it is essential that sufficient tools and database utilities are present to perform cross sell at the “sale time”. The purchasing history of client is instantly analyzed and that data is quickly compared to a set of rules-driven business strategies, which prompts a personalized offer in real time.
For banks, the Cross Sell ratio is a term that measures how many products or services a customer or household buys from a particular company (i.e. the average no. of products sold per customer).

It has become an important meter in the sense that, higher the Cross Sell Ratio, more is the revenue and the customer retention. It clearly indicates the focus of financial institutions on these strategies.

Implications of different cross-selling and up-selling strategies to the organizations are as follows:

- **Savings by avoiding increased cost of acquisition cost for new customers:** It is a direct save for the companies.
- **Increased competition:** It helps in improving the customer loyalty and increase emotional connect with the existing customer.
- **High cost of Third party research:** The third party research of customer identification is expensive and also takes a longer time-frame.
- **Infect leadership in major product lines to others:** These strategies helps to cash on the existing brand association with the brand.

**Conclusion**

This paper highlights the various forms of cross-selling and up-selling strategies which influence the buying behavior in the consumer markets. Towards the end of the paper, it is concluded that present day marketers are heavily using cross-selling and up-selling strategies as the marketing tool. It is a win-win situation for both consumers and marketers in such a way that former is deriving value-added benefits with satisfaction and latter is selling complementary and high-valued products and services to the customers. With the ever-changing consumer tastes and preferences, it is a huge challenge for the marketers to predict the customer behavior; but by the virtue of these cross-selling and up-selling strategies consumers are greatly influenced to purchase and spend more money.
References:

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Paradigm Shifts in Advertising
Vikram Parekh* Vijay Iyer**

Abstract
The advertising world is undergoing a paradigm shift in the current era due to multiple factors like evolution of society, technological development, and advancement in globalization leading to changing cultural system and hence communication is made to be focused on individuals. These trends are revolutionizing the traditional paradigms of advertising. The advent of modern digital media like internet, search, online and mobile has offered new ideas for developing innovative communication strategies. At the same time increasing bargaining power of consumer like to know more about products and services, easy comparison of all the available options, knowing from existing customers through open source is making the task of advertiser much more complex.

Today’s modern consumer is multifaceted and often contradictory. He not only seeks transparency, clarity and rational decisions, but on the contrary, in many occasions his behavior is influenced by instinctive impulses that transcend the rational choices. So today, in addition to the traditional forms of advertising, there are forms of "unconventional" advertising that focus on creativity and impact communication, leveraging on two issues that increasingly affect the consumers decisions: the emotion, that makes an experience unforgettable, and the relation that can transform the connection with the brand into something of lively that makes the consumer feel important and part of a community. Due to this above mentioned background lots of issues has emerged and is emerging related to advertising giving rise to various opportunities and challenges. Our paper attempts to highlight the same in a sequential pattern in three parts:

Advertising trends both global and Indian, comparing conventional and non-conventional media. Comparing IMC (Integrated Marketing Communication) vis-à-vis Advertising various areas of concern in advertising, role of regulatory bodies, and finally will end with conclusion on future of advertising.

Keyword: Advertising, Integrated Marketing Communication
Introduction

Global Advertising Trend

The worst recession since the Great Depression has caused an advertising downturn unprecedented in modern times. As per the estimate that global ad expenditure will have dropped 10.2% over the course of 2009. It is normal for ad expenditure to exaggerate general economic trends: when the economy shrinks, ad expenditure shrinks faster, and by more. The corollary to this is that when recovery is complete, we can expect the ad market to outperform the economy as a whole.

The global trends in advertising have been disappointing due to economic meltdown in most of the developed economy, especially North America and Western Europe which has seen the highest dip in 2009 vis-à-vis 2008 as mentioned in Exhibit 1.

The recovery will take some time. After reaching its lowest point during the last two recessions, the global ad market recovered progressively over the course of the next three years, and is expected that the current downturn to follow the same pattern. However, the forecasts for 2010 looks positive due to expected recovery as corporate and consumer confidence continue to improve in most of the market. In some markets new regulations have exacerbated the downturn, or are likely to hinder recovery the scenario of France, Spain and China is as follows:

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<tr>
<th>Country</th>
<th>Media</th>
<th>Contribution</th>
<th>Action</th>
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<tr>
<td>France</td>
<td>Public TV channels</td>
<td>One third of all viewing</td>
<td>Phase out advertising at the beginning of 2009, and will be completely ad-free by 2011</td>
</tr>
<tr>
<td>Spain</td>
<td>Public channels</td>
<td>One fifth of viewing</td>
<td>To remove all advertising from the public channels at the beginning of 2010</td>
</tr>
<tr>
<td>China</td>
<td>All channels</td>
<td>Reduction in the numbers of ads in all channels from the beginning of 2010*</td>
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*In China reducing the supply of television ads will probably raise the price of the remaining airtime, but not by enough to compensate for the lower volume.
The pain inflicted by the downturn in advertising industry has been distributed across the globe very unevenly. All the developed markets (in North America, Western Europe and Japan) have suffered substantial losses, and are expected to continue the decline in 2010 as economic growth remains slow and uncertain.

Plenty of markets in the developing world particularly in Asia Pacific and Latin America have continued to grow this year; also they are already picking up speed after a slowdown in the first half of 2009. These regions are expected to return to healthy growth in 2010. Many developing markets in Central and Eastern Europe and the rest of the world have suffered large shocks to their economies and ad markets. These shocks are one-off adjustments rather than deep-seated problems, and expect healthy growth next year here too. 27 developing markets have continued to grow during 2009, 12 of them at double-digit rates. In 2010 the forecasted ad expenditure to grow 8.4% in Asia Pacific (excluding Japan), 8.1% in Latin America, 2.3% in Central and Eastern Europe and 7.0% in the rest of the world. (Source: Zenith optimedia). Refer to the Exhibit 2

Out of the top 20 countries by advertisers major media expenditure, the top 5 countries is projected to remain unchanged from 2008 to 2011, except China is projected to takeover UK in terms of media expenditure in 2011. India will move up by two rank in the year 2011 projected to reach $6,617 bn compared to $4,914 bn in 2008.

India is projected at 7th rank among the 10 higher growth countries with 34.6% growth rate (2011 vs 2008) with Georgia being projected number one with 70.1% growth rate, followed by Vietnam and Philippines with 59.4% and 58.4% growth rate (2011 vs 2008).

India, China and other emerging markets will lead global advertising industry out of the recession next year after one of the gloomiest years, says forecaster of international media agency Interpublic Group. Growing at 16% a year, India is expected to be at the forefront global advertisement revival over the next five years along with its bigger neighbor, China. The two Asian giants will play a key role as global advertising revenues increase at a around 55 per year
till 2015, according to the study by Magna, InterPublic’s forecasts and insights unit, and brought to India by Lintas Media Group. The world ad revenues will, however, take at least four years to regain the 2008 levels of after declining 16% to $358 billion in 2009. Exhibit 3 gives a growth pattern for global advertising industry along with trends of US, UK and BRIC economy. It covers 2010-15 CAGR in total advertisement revenues, 2010-15 CAGR for mass media newspapers and TV, also 2010-15 Global CAGR for various media with higher being modern non-conventional media Search followed by online 9.3%, magazines is forecasted at -0.3% CAGR from 2010 to 2015.

**Indian Advertising Trend**

Indian media advertising revenues is estimated to touch Rs.20,527 crore and Rs.40,346 crore in 2010 and 2015 respectively. The domination of mass media Television and Newspaper are expected to continue at 40.7% and 38.8% in 2015 as mentioned in Exhibit 4 of Indian Advertising trend. It covers average revenue growth rate, Newspaper and Television advertising revenues from the year 2000 till estimation for 2015, It also provides breakup of advertising revenue on the basis of various media like Television, Newspaper, Outdoor, Magazine, Radio and Online.

As per Exhibit 5 the CAGR for various media from 2010 to 2015 is provided which clearly represents that the modern non-conventional media search engine and online will be growing fastest with 20.9% and 20.5% respectively.

The conventional mass media will grow at a CAGR ranging from 11% to 17.3% for Magazines and Outdoors respectively.

The factors responsible for the growth of modern media is going to be attributed due to improvement of Information Technology related infrastructure like Internet speed, Internet connectivity. Mobile phone will be a device in future on which various media will grow; the upcoming of 3G for personal use will impact the growth of search and online media.
The advertising expenditure per capita in India has grown from mere 1.8% to 4.2% from 2003 to 2008 respectively. Exhibit 6 shows the growth of advertising expenditure along with its growth rate from 2004 to estimated 2011.

One of the major trends in Indian advertising has been w.r.t the dominance of conventional media which unlike in developed countries still occupies the major chunk of the media consumption by the consumers. The future of the advertising lies in the prospect of new age media like internet and mobile. The entry of 3G is expected to provide the needed boost in the modern media consumption habits of the consumers.

**IMC as a better option to advertising**

Advertising being a paid for of communication has lead to many challenges for the advertiser or the marketers like wastage of money, difficulty in knowing the impact of advertising, low media involvement of prospective consumers. The advent of IMC – Integrated Marketing Communication as a concept has provided a new dimension for the marketers to communicate so as to increase the impact of the communication. IMC as a concept highlights the use of multiple tools for communication along with advertisement like sales promotion, publicity, direct marketing, public relations, internet and interactive marketing and personal selling.

“IMC is a comprehensive plan that evaluates the strategic role of a variety of communication disciplines—such as, general advertising, direct response, sales promotion, and public relations—and combines these disciplines to provide clarity, consistency, and maximum communication impact”. (4As’ definition – American Association of Advertising Agencies)

Reasons why IMC is important these days:

1. Increased Contact Points for Customers
2. Emergence of Specialized Media
3. Emphases on customers are king across all industry
4. Marketing becoming more data-based
5. Rise in Internet usage
Conventional vs Non-Conventional Media for Advertising

The debate as to the future of advertising lies in which type of media i.e. conventional mass media like Radio, Print, Television, etc or non-conventional media like Internet, Mobile, Search, Online etc lies in the manner with which the consumers consumes the various types of media. Also the use of non-conventional modern media is started showing good growth in terms of usage for advertisement in developed economies. The developing economies are still showing the dominance of mass media like TV and Print in overall advertising industry.

The use of non-conventional media has also been seen used as a supporting media and not as a stand alone media for most of the communication task undertaken by the marketers. The believe that mass media can only help reach out to big numbers is still found to be true in most of the developing countries.

Exhibit 7 shows the break down of media globally as per the research document provided by Neilson for Jan-June 2008 vs Jan-June2007, it reveals that TV constitute 60% of the media followed by 24% for News papers. Magazine and Radio constitutes 12% and 4% respectively. Even though remarkable growth of internet has been seen in developed countries like Germany (38%), France (36%), Sweden (36%) during the same period mass media are still treated as a safest place to advertise world wide.

Areas of Concern

Advertising has always helped the marketer achieve its objective of marketing in general and communication in particular. But often marketers are accused for using advertising in a manner which raises questions to its ethical usage for the purpose of marketing.

This part of our paper tries of highlight the various issues rather concerns towards advertising. The broader area of concern revolves around three major point i.e. ethics in advertising and use of children / women and providing misleading information in advertising.
Advertising is considered unethical when it degrades rival’s product or substitute product, gives misleading information, gives false information, conceals information that vitally affects human life (e.g., side effects of drugs), makes exaggerated claims, is obscene or immoral or is against broad national interest. While comparative advertising may be considered legal and its widespread use may have granted it acceptance, the debate on whether or not it is ethical, still continues. There is no unanimity among advertising professionals and marketing clients regarding such questionable practices. However, all agree to one aspect that while considering the question of unethical practices, the focus must be to safeguard the interest of buyers at the micro level and the society at the macro level as their satisfaction is the key to the marketing success.

Jean Kilbourne, probably the best known advocate of raising awareness about the exploitation of women in advertising, claims that, based on her study in America that “we are exposed to over 2000 ads a day, constituting perhaps the most powerful educational force in society (194).” If that number is correct, we would view as many as 730,000 ads a year. Kilbourne claims that the portrayal of women in advertising is negatively influencing the view men have of women in our society and how women view themselves. She claims that the constant barrage of images and texts depicted in ads, suggesting the idea that ‘the thinner a woman is, the better she is’, has a strong influence, especially in female adolescence, that contributes to eating disorders and low self esteem issues. She has published several books and films on these subjects that seem to support her claims.

The criticism has been related not only to its intended effects on society, but also to its unintended effects. Most of the criticism has come from "elite" observers of society. In contrast, the general public has historically viewed advertising in a more positive way. Whereas criticisms of advertising have generally originated from the highest socio-economic classes since the earliest days of the modern marketing era and before, lower and middle class people have historically been more positive toward advertising (Bauer and Greyser, 1968; Fullerton and Nevett, 1986; Steiner, 1976; Zanot, 1984).
The extent to which these intellectual criticisms reflect more widely held consumer beliefs and attitudes in India is not well known. Therefore, it is important for advertisers, academicians, researchers and advertising agencies to be concerned about the beliefs and attitudes that consumers have developed about advertising.

In the Indian context, it is important to understand that mass media reaches out to cultural extremes. From the well informed, high income urban rational to the uneducated, highly aspirational rural consumer, most of us will just discard a fairness cream that promises 7 day miracles or a detergent that claims to make clothes new. Our educated minds are capable of filtering the noise out from the information. But for an economically challenged, uneducated consumer, these claims will sound very real. Ability to buy will always influence the aspirational value of a product. But in India, this ability begins at the commodity level. Advertisers need to be sensitive to this fact.

Some of the commonly seen and surprisingly accepted communication approaches:

1. Linking purchase to social acceptance – eg: husband gets a promotion and raise because of the new detergent
2. Mimicking clinical endorsement – eg: hiring lesser known models and getting them to wear a lab coat to convey that a doctor agrees with a brand’s claims
3. Influencing consumption fundamentals – eg: positioning aerated drinks as thirst quenchers
4. Creating false imagery of product performance – eg: showing exceptionally clear videos on cell phones
5. Paying lip service to regulations – using a general “conditions apply” or miniscule font to convey an important piece of information
6. Creating false imagery of product science – showing research labs and scientists at work when the product in reality doesn’t involve any
7. Creating fictitious product components – eg: abbreviations terms created just for “jazz” but made to sound like a specific formulation
8. Creating variants with no real differentiation – eg: shampoos for different kinds of hair with the same basic formulation
9. Exploiting government apathy to sell products that may be banned clinically elsewhere – eg: ginseng and aspartame are banned in many developed countries
Role of regulatory bodies in advertising

The Advertising Standard Council of India (ASCI), the apex regulatory body of the advertising industry, has launched a national campaign to uproot the evil of misleading, dishonest and indecent advertisements. Through this movement, ASCI aims to encourage masses and responsible Indian citizens to report any kind of dishonest or misleading advertisements of any advertiser across all categories.

The campaign aims to popularize ASCI’s role as the regulator of advertising in India. Anyone can register a complaint through the telephone number 022-23513982, or via email on asci@vsnl.com, or online through ASCI’s website, www.ascionline.org.

ASCI has a rigorous Advertising Code that has withstood the test of time and a Consumer Complaints Council (CCC) that goes into the merits of every complaint. ASCI seeks to take stringent actions against misleading, dishonest and indecent advertisements. It is noteworthy that rulings made by ASCI have the force of the law behind them as now ASCI’s Advertising Code is part of the Cable TV Act’s ad code. Therefore, any TV ad against whom a complaint has been upheld by ASCI has to either modify or withdraw the offending ad.

Thus, advertisements that are held to be unacceptable by ASCI must be pulled off the electronic media. Consumers are also being encouraged to refer to the ASCI Code for regulation that is available on the website both in English and in Hindi.

Dhananjay Keskar, Chairman of the Board of ASCI, stated, “ASCI firmly believes in the power of the common man, especially women, in India. We believe that to effectively regulate advertisements across India, masses will have to come forward and report misleading and indecent advertisements they come across. So much that they can even verbally report on advertisement. This is a strong call of appeal to viewers, consumers and masses to become active agents in keeping the advertisements clean and honest.”
ASCI’s campaign consists of print and television advertisements, hoardings, banners and posters. ASCI officials have also started giving lectures and presentations at schools and colleges to introduce the campaign and garner support from the country’s youth. The creative’s for the campaign are bold and talk direct and clear with the consumers. Use of red in the background makes the message tone clear. The message is short, simple and straightforward – “If you think an advertisement is misleading, dishonest or indecent, contact ASCI”. The advertisement then goes on to state its postal address, telephone numbers, emails id and website.

ASCI have been set up as a self-regulatory voluntary organization of the advertising industry. The role and functioning of the ASCI and its Consumer Complaints Council is in dealing with complaints received from consumers and industry, against advertisements that are considered as false, misleading, indecent, illegal, leading to unsafe practices, or unfair to competition, and consequently in contravention of the ASCI Code for Self-Regulation in Advertising.

Leading TV channels, newspapers and other media are expected to carry the ads pro bono to show their commitment to the self regulation movement in India.

**Conclusion and Future of advertising**

Advertising is evolving – and fast. With the advent of technology, it is now possible to reach customized brand communication to smaller groups or segments of people. The plethora of media vehicles available ensure that the advertiser’s message is delivered to the consumer in a way he will understand and relate to, thus creating a maximum possibility of favourable response. With the world going digital, consumer expression is growing fast and wide. Social media, as it is called, enables the consumer to create his own space to reach out and talk to who he chooses to – and this can be just friends or the world at large. It is in this phenomenon that the seeds of the next wave in advertising will be sown.

Social media enables the consumer to respond. Not just that, it enables a consumer who likes the advertiser’s product communication to not only let him know that he likes it, but also influence others who may be important to the advertiser, but have not been reached.
Facebook and Twitter are enabling brands to engage with consumers like never before. DTH (Direct to Home) has given the control of television content to the consumer, which has created distinct sets of people with declared interests. OOH (Out of Home) media is now mobile, which enable it to be right outside home, not just on the streets. Radio and Print media are getting more and more local and hence more measurable.

To sum up pure advertising seems to have no future from the point of impact. It’s because advertising is changing into conversations via clear and defined discussions between advertisers and multiple groups of their consumers. The future of advertising also needs to focus on various areas of concern discussed along with proper frame work for regulatory bodies.

List of Exhibits:

Exhibit 1: Advertising expenditure by region
Exhibit 2: Top 20 countries by advertiser’s major media expenditure and Advertisers total major media expenditure growth rate

Exhibit 3: Global Advertising Trend
Exhibit 4: Indian Advertising trend

Exhibit 5: CAGR for various media growth in India
Exhibit 6: Advertising Expenditure trends in India

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<th>2003</th>
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<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertising Expenditure Per Capita (%)</td>
<td>1.6</td>
<td>2.2</td>
<td>2.5</td>
<td>3.0</td>
<td>3.6</td>
<td>4.2</td>
</tr>
<tr>
<td>Advertising Expenditure (Constant Prices $ m)</td>
<td>3,122</td>
<td>3,470</td>
<td>3,957</td>
<td>4,479</td>
<td>4,914</td>
<td>4,925</td>
</tr>
<tr>
<td>Advertising Growth Rates (%)</td>
<td>19.1</td>
<td>11.2</td>
<td>14.0</td>
<td>13.2</td>
<td>9.7</td>
<td>0.2</td>
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Exhibit 7: Break down of media (Global advertising trend)
References:

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“TEEN MARKETING”
Tantalizing Teen Trends – An Empirical Study of Mumbai
Richa Chaudhary*, Sweta Kumari* & Dr R Gopal**

Abstract
Indian teens differ from their conservative, insular parents in the way, they proudly mix Indian values with Western packaging. They enjoy wearing saris and still admire Mahatma Gandhi. But they also like wearing blue jeans, drinking fizzy sodas, and watching MTV. Understanding this generational shift in attitudes has now become all the more important because this group is growing rapidly. Few early investors are already reaping the benefits of this huge teenage population. But the market is still wide open for others to enter and capitalize on the potential. With this large number of Teens on the cusp of becoming young adults, studying their behavioral trends and attitudes has become very important for the marketers in the present and also in the years to come. This study aims to explore the existing trends of Indian Teen Market. The objective of the study is to analyze the perception and attitude of the teenagers and to forecast the future of the Teen marketing.

The study is descriptive in nature and is based on primary data. The findings of the study would be helpful for the marketers to get a insight into teen market, for the better understanding of the teen behavior and preferences.

Keywords: Teen Marketing, Teen Trends, Teen Market

Introduction
Indian market has a large population and this population offers marketers, huge opportunities in different demographic segments. One such attractive segment is the youth or teenage population. A teen or a teenager is a person between 13 and 19 years of age. India is home to the largest population of teenagers anywhere in the world. Some 47% of India’s current 1 billion population is under the age of 20, and teenagers among them number about 160 million. This number even surpasses the number of teenagers in the US, Canada, UK, France, Germany, Italy and Japan.
combined. (BTW, these are called as G7 countries and they account for more than 80% of the global wealth). This astounding number of teenagers in India poses an immense market potential for a whole lot of products: Fashion accessories, Fast foods, books, education, clothes, music, electronics, Sports, entertainment etc.

Teens differ from their conservative, insular parents in that they proudly mix Indian values with Western packaging. They enjoy wearing saris and still admire Mahatma Gandhi. But they also like wearing blue jeans, drinking fizzy sodas, and watching MTV. Understanding this generational shift in attitudes has now become all the more important because this group is growing rapidly.

India's youth or teens are already having an enormous impact on the economy, on companies hoping to sell them products, on the media, and on the culture. Already, they wield $2.8 billion worth of discretionary income, and their families spend an additional $3.7 billion on them every year. By 2015, Indians under 20 will make up 55% of the population--and wield proportionately higher spending power. With this large number of Teens on the cusp of becoming young adults, studying their behavioral trends and attitudes has become very important for the marketers in the present and also in the years to come. Few early investors are already reaping the benefits of this huge teenage population: Levi’s, LVMH, Adidas, Nike, MTV, Disney, McDonald's, Pizza Hut, Domino’s, Subway, Pepsi, Coca Cola to name a few. But the market is still wide open for others to enter and capitalize on the potential.

**Why Focus on Teens?**

Marketers cannot afford to ignore Teens for numerous reasons. This growing powerbase of spenders and influencers are important because they:

- Have significant discretionary income.
- Spend family money as well as influence their parents’ spending on both large and small household purchases.
- Establish and affect fashion, lifestyle, and overall trends.
- Provide a “window” into our society — a view of how it is now, and what it is likely to become.
Lifestyle, Attitudes, Behaviors

Today’s Teens live in a time of sweeping technological advances, relative affluence, and a flattening divorce rate. Consequently, their attitudes and cultural awareness exhibit a number of distinguishing characteristics.

For example, they are realistic and optimistic with a strong sense of individualism, but not with the fierce independence of the previous generation. Want and expect to have control over their media experiences. They want to have access to evolving and new technologies — such as DVRs, instant messaging, and wireless phones.

Teens today understand the need to be able to turn on a dime because they live with short-term change and volatility on a day-to-day basis. Unlike previous eras, Teens also live with paradox, realizing that their choices are filled with a mix of good and bad. Even so, they have a strong sense of empowerment and believe that they can conquer any challenge, actively seeking out causes to support. They are self-assured, with three-quarters or more of them agreeing with the statements “I trust my own judgment a lot” and “I have a very clear idea of my objectives and goals in life.”

Teens also influence an untold amount of spending by their parents, everything from cars to travel to computers and other consumer electronics.

Some characteristics of teens include:

- They're the most informed and media-aware group in history.
- They're extremely tech savvy.
- They've been marketed to their entire lives. As a result, they're marketing savvy.
- They've had more choices than other generations, and, thanks to numerous easy ways to communicate with peers, they express both positive and negative opinions about products, brands, and companies.
- They're the first generation of true multitaskers, easily balancing email, chat, and other communications simultaneously.
- Their entire lives have been spent in a world where everything's immediate: instant downloads, overnight delivery, microwave meals.
Teen Market Potential
With the Indian GDP growing at close to 9%, India is poised to become the third largest economy by 2012 (surpassing Japan), India offers an unparalleled business opportunity for all. A study conducted by Business Today estimated that Indian youth in cities alone spends Rs 190,000 crore a year which is equivalent to 42 billion US dollars.

Some key statistics of the market are as follows:
- 74% of the urban teenagers have cell phones
- 81% of the urban youth use computers
- 89% watch television daily
- 73% listen to radio
- 91% watch movies regularly
- Teens (13-19) spend $94.7 billion per year, $3,309 per person.
- 37 percent of teens' income comes from parents, the rest from jobs.
- Online spending projections show teen expenditures are on the rise:
  - 2003: $1.7 billion
  - 2004: $2.6 billion
  - 2005: $3.6 billion
  - 2006: $4.8 billion
  - 2007: $5.8 billion

(Source: Paul Soltoff, Overlooking the Teen Market? ClickZ.htm)

Indian youth are highly brand conscious and are willing a pay more for a reputed brand. Erich Stamminger President & CEO, Adidas Brand, Adidas has this to say about Indian youth: "Indian consumers are very rational in their purchase decisions. For them, the brand name is important. I think they will consider entering your store only because of the brand you are but they always need a rational argument about functionality and utility of a brand before making the final purchase decision." Another display of youth power in India can be seen at Louis Vuitton - a whopping 18% of all LVMH sales in India comes from the teenage customers.
Teen Marketing
Teen Marketing involves targeting people in the age group of 13 to 19 years. The teen market is viewed as a difficult group to connect with and sell to, based on the fragmented media landscape and young people's keen ability to identify and reject marketing messages that lack credibility. Nonetheless, many brands market to youth by offering relevant products and services while communicating a brand message in an appropriate voice and tone. Successful brands marketing to youth have a foundation in or association with key interests and drivers among youth: music, sports, fashion, video gaming and technology, among others.

While frowned upon for preteens and younger teens, another common way advertisers target the older youth market is through product placement. Product placement occurs when a brand name product appears in a medium not necessarily related to the product itself. Companies often pay for their products to be placed in a movie or on a television show. This act, while not an overt form of advertising, seeks to target youth in a subtle manner.

Teen marketing strategies commonly include television advertising, magazine advertising and online marketing. Today young people expect to be able to learn about, interact and be entertained by with brands or services targeting them online. Other common youth marketing tactics include entertainment marketing, music marketing, sports marketing, event marketing, viral marketing, school and college programs, product sampling and influencer marketing.

Research Objectives
- To understand the existing trends of Indian Teen Market.
- To analyze the perception and attitude of the teenagers.
- To forecast the future of the Teen marketing.

Review of Relevant Literature
PR Newswire, (Sep 2009), unveils Teenager-peer interaction and its contribution to a family purchase decision: the mediating role of enduring product involvement.'ASL Teen Segments,' First-Ever Actionable Behavioral Teen Marketing Segmentation; Agency's Proprietary Offering
Helps Marketers Strategically Target Teens by Key Gender, Social and Behavioral Characteristics.

Nibrass Hajtaïeb El Aoud, Sabrina M Neeley (May 2008, examined the influencing roles of teenager-peer interaction and enduring product involvement on a teen's contribution to a family purchase decision, using survey data from 1008 Tunisian teens. Results demonstrated that enduring product involvement mediates the relationship between teenager-peer interaction and the teenager's contribution.

Andrew Needham, (2008), analysed the ways, word-of-mouth (WOM) can operate in social network platforms such as Facebook and influence young consumers. Using Headbox, a research and seeding community for 30,000 16-25 year olds who share their thoughts, their opinions and their ideas and get rewarded for it, consumer insights on brands and how positive and negative WOM are described. The paper found that the importance of co-creation is vital in diffusion. Co-creation implies that marketing happens with young people rather than it being directed at them.

Ahuja Roshan D, Tara Anne Michels, Mary Mazzei Walker, Mike Weissbuch, (2007), investigated teenagers' perceptions about buzz marketing and the issue of disclosure.

The paper analysed that teenagers like being buzz agents, they view this role as a job, they usually conceal the fact that they are buzz agents, and they generally see no ethical dilemma in not revealing their status.

Anastasia Goodstein, (Aug 2007), analysed branding and marketing strategies of the creator of the iPod and the iPhone, Apple. The paper suggested that, one don't have to be for teens to reach teens. In some ways, this is the biggest lesson brands can learn from Apple. Their products are for everyone. Apple's ads are not age-specific; the silhouettes show all different kinds of people. The spots also feature varied genres of music, even as they resonate with an MTV audience. It's the brand values of creativity, diversity, and individuality, combined with a line of well-designed products that deliver, that has converted this generation of teenagers into Mac addicts.
Jeanine Poggi, (Oct 2007) analysed how is the teen spending on apparel and found that despite the slowdown, spending expectations remain consistent. Approximately 50 percent of the students surveyed plan to spend the same amount of money on apparel.

Teens are spending less on fashion apparel, but the category still makes up a large percentage of their budgets, according to a survey conducted by Piper Jaffray & Co.

Research Methodology
The design of research is descriptive in nature and all the possible ways of describing the subject matters about teenagers have been attempted. The research has employed a questionnaire based survey to describe the teenager’s characteristics, attitudes, preferences and behaviour. The study has been implemented as a survey of around 100 teens from Navi Mumbai (Vashi), Belapur, Ghatkopar and Kalwa who visit various malls and shops, also college going teens were approached.

The sampling method and sample technique used for selecting the sample is simple random sampling method under which each sample unit in the defined target population has a known, non zero probability of being selected for the sample. Questionnaire contains open and closed ended question, with use of varied type of scales from dichotomous scale to category scale.

Discussion Of Findings
- From the survey it was observed that most of the teens (54%) shop mostly when there is need for products, others shop more on a monthly basis (24%), 12% go many times in a year and 10% go for shopping once in a week.
- Almost 50% of the teens prefer shopping from the malls which is generally observed trend in today’s youth population. Although this is true 20% of teens do shop from roadside market as they get a lot of variety at very low prices at roadside standalone shops.
- Although not very critical but advertising plays a significant role in influencing the teens buying behaviour pattern. The survey revealed that there is an average impact of advertising on purchase of any product.
- Almost 50% of teens are brand loyal to some extent while very few are not loyal to one particular brand of product and readily switch their brands as per their needs and
requirements.

- Most (48%) of the teen population does spread a positive word of mouth when they are delighted by a particular product. Thus if a product meets the requirements of particular teen there is high amount of chance that he would recommend the same product to his family and friend and also convince him to go for same brand of product. Thus marketers must see to it that they meet the expectation of youth so that they promote their product or brand in proper manner.

- In case of youth the most frequently purchase product include apparels (53%) followed by shoes (31%), watches (8%), sunglasses (6%) and least mobile phones (2%). Thus teen most frequently purchase apparels and shoes while purchase accessories and mobiles least frequently.

- Most of the teens goes for a particular product primarily because of its looks and design (41%) followed by utility (20%), trends (31%) and promotional offers and other features (4%).

- Teens have a mixed buying behaviour when it comes to purchasing any product. But it was noticed that they are aware of many premium brands like John player, Raymond, Woodland, Puma, Tag-heuer, Arrow, Zodiac, Rayban, Blackberry, Mont Blanc etc. this shows that they could be the future buyers for these products.

- 20% of the teen strongly agree while 50% of the teens agree that big brands do add to their style statement. Whereas only 30% of teens say that big brands do not add to their style statement. This shows that when it comes to teen buying behaviour, famous brands and brand image play a crucial role when teens go for any particular product.

- For most of the teens the highest influence for buying a particular product or brand is from its peer group (54%). Although relatives and parents influence the teen in their buying behaviour i.e. 17% it is still very less as compared to influence of friends and peers on teen. Also promotional schemes influence their buying behaviour (16%). Shopkeepers and other sources also contribute to a very small extent in influencing a teen in its buying behaviour.

- Although large proportion of teens accept that their purchase decision is affected by their family members (42%) still the influence of peer group remained dominant (83%). This shows that there is strong influence of both family members and teens on teens buying behaviour with more influence on friends on them.
The most preferred communication tools for getting information about these products in the market are TV and internet followed by newspaper, magazines and radio.

For majority of the products mentioned the teens had varied choice for their desired brand ambassador from Amitabh Bachan, Aamir Khan, John Abraham, Hritik Roshan M.S Dhoni, Sachin Tendulkar, Bret lee, Katrina kaif, Deepika Padukone, Kareena kapoor etc. This shows that they are very much influenced by the TV as well as the entertainment and sports industry, i.e. they relate very well with the trend and their preferences also keep changing with the change in the entertainment as well as sports industry.

Conclusion
No doubt, teens are the major market for the near future and wield substantial economic might. It was observed that there is a changing trend in their attitude and perception. As the disposable incomes of the people are raising high the parents are also providing their teenage kids a lot of liberty in shopping. This has led to the increased buying behavior amongst the teens. Nowadays the teens have become highly brand conscious and they give great value and emphasis to style and brand. This is also a major reason for the increased buying amongst the teen. As we are seeing that nowadays showmanship has become the key thing in everybody’s life the teens also relate themselves to a great extent to brand personalities and their buying behavior is considerably affected if they are able to relate themselves with one or more celebrities. Hence marketers need to develop a keen understanding of the nuances of teen consumers.

Limitation of the Study
The study intends to cover respondents only from Mumbai region and may not give similar results when generalised to other region.

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Green Marketing: The Future of Marketing
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Abstract
Green Marketing is defined as a group of activities designed to generate and facilitate any transfer or exchanges to satisfy human needs or wants, such that there is minimal detrimental impact on the natural environment while satisfying these needs and wants. Such a product or service may be environmentally friendly in itself or produced and/or packaged in an environmentally friendly way.

Nations in the long run will fight on issues like Natural Resources, Global Warming, Carbon Emissions. Corporations across the world would succumb to natural pressures from the Government & the competition alike. They would even face pressures from the consumers, NGO’s, to save the environment for a better future. Green marketing is the future strategy that companies can adopt to fight competition from the stakeholders by manufacturing products which are eco-friendly and provide sustainability for a greener future.

Green marketing can play an important role in helping companies decide upon their marketing mix and thus prove to be a base for a sustainable competitive advantage. The research paper will look at the origins of green marketing, the general trends in green marketing and the role of green marketing in brand development. With an increase in interests among people to save the environment, the companies adopting green marketing strategies will be able to create positive image about their products. This research paper will also cover the marketing strategies companies can adopt, evaluate the challenges, ethical issues involved and opportunities facing green marketing and also look at green marketing issues in India

Keywords: Green Marketing, Environmental Impact, Green Washing, Green Marketing Strategies (GMS)
Introduction
Traditionally, environmental issues have been seen as a threat to firms’ profitability because environmental management requires big investments in prevention technologies (Walley and Whitehead, 1994). However, in recent decades, firms have started to consider the natural environment as a potential source of competitive advantage (Christmann, 2000; Hart, 1995; Porter and van der Linde, 1995) that can generate win-win-win situations for society, the business world, and ecosystems (Porter, 1991). Concepts like the green marketing philosophy, environmental marketing, or environmental orientation have arisen as a bridge between firms’ environmental protection activities and the satisfaction of different stakeholders (Karna et al., 2003).

Green marketing is a firm’s response to society’s and governmental environmental awareness. It could also serve as an important business philosophy (Chamorro and Banegil, 2006) to maximize its financial results. In other words, the final aim of green marketing is to attain coherence between the general objectives of marketing as a discipline and the objectives of the natural system as an element of firm’s environment (Coddington, 1993; Fuller, 1999; Peattie, 1995; Polonsky, 1995).

Many companies are now promoting a feeling of “cultural fit” better than environmental awareness, and that means it’s important for credit unions to both implement green HR policies and then market them to current and prospective employees as part of a green employment-branding campaign (Jamie McMahon, August 2009).

Unfortunately, while lots of players marketing green products and services is good for a host of reasons, lots of players on the field clamoring for attention can create a lot of empty noise. It’s important to avoid fostering “green fatigue” among the customers, if the marketing message comes on too strong or too often, it runs the risk of blending in with the background noise of competing messages everyone is exposed to every day. (Reeves Journal by Jack Sweet, August 2009).
Evolution of Green Marketing

According to Peattie (2001), the evolution of green marketing can be broken down into three distinct phases. They are:

1. **Ecological’ Green Marketing**: This is the first phase that was developed in 1970. Henion and Kinnear (1976) conceptualized green marketing to be concerned with the marketing activities that have caused various environmental problems as well as those that provide a remedy for the environmental problems. The prominent features of this phase include:
   - Focusing on the environmental problems like air pollution, water pollution etc.
   - Targeting companies that caused the environmental problems.

2. **Environmental’ Green Marketing**: This is the second phase that emerged during late 1980’s. Several disasters took place during the 1980’s such as the Bhopal gas tragedy (1984) and the Chernobyl (1986). These had a devastating impact on human life, which ultimately brought into prominence a need for green marketing. The prominent features of this phase include:
   - Focusing on clean technology that involved designing of innovative new products with a detrimental impact on the environment.
   - Development of a new segment in the market referred to as ‘Green consumers’ who now cared about the environment.

3. **Sustainable’ Green Marketing**: This is the third phase that came into prominence in the late 1990’s and early 2000’s. Fuller (1999) defines sustainable green marketing as “the process of planning, implementing and controlling the development, pricing, promotion and distribution of products in a manner that meets consumer needs, achieves organizational goals and the process compatibility with ecosystems. This phase focused on achieving the ‘triple bottom line’ through creating, producing and delivering sustainable products and services by emphasizing on cost instead of price.

Factors for going Green

Why does a company suddenly decide to add a green product to its line? Why does a product that has been doing well for a company need to be given a green facelift and new features added?
In the above diagram, we see the reasons why a company goes green

- **Goodwill**: A company that incorporates the virtues of green marketing attracts a lot of goodwill in the form of publicity in newspapers, magazines and word of mouth through customers.

- **Differentiation**: In a market, where every product is the same and innovations can easily be copied, Green marketing provides a strategy to rise above the clutter and create a distinct image of the brand in the minds of the consumers with differentiation based on eco-friendliness of the product.

- **Competition**: Present scenario is characterized by too many companies trying to lure the same segment of customers by offering them similar product attributes at similar prices. In order to break this clutter, companies may position their offering as the one with the least impact on the environment.

- **Pressure groups**: NGO’s by keeping a hawkish eye on the activities of an organization and how they aid or damage the environment are playing an increasingly active role in shaping an organization’s strategy. NGO’s by spreading awareness about a products effects on the
environment through protests, rallies etc. have the ability of mobilizing public opinion for or against a product and thus force many companies to adopt green marketing.

- **Government Pressure**: With the increase in prices of oil and after effects of global warming being felt all across the world and through sustained lobbying by environmentalist groups the governments of countries across the world have been taking steps to curtail the damage being done to environment by pressuring companies to adopt environmental friendly practices.

- **Customer Demand**: There has been a manifold increase in the awareness of global warming across the world through sustained campaigns by the media and NGO’s leading to a much more informed consumer who no longer buys a product based only its price or features but also wants to know the impact of the product on the environment, the kind of processes used for producing the product and their impact on the environment.

- **New Market Entry**: Companies planning to enter a market highly saturated with several players may use green marketing as a tool to break through the clutter.

**Green Marketing Mix**

- **Green Product**

In an era that is concerned with global warming and declining health of ecosystems, the ecological objectives of most of the companies is to plan products that help reduce resource consumption and pollution and increase conservation of scarce resources. Green products are the ones that incorporate recycled content are energy efficient and saving, durable, and have low maintenance requirements.

Green Packaging involves providing environmentally friendly packaging solutions that protect the product as well as environment. Companies are widely using eco-labels, known as ‘Ecomark’ in India to enable customers identify products, raw materials, or companies that meet a particular organization or government agency’s standards in terms of organic content, sustainability or minimizing risks to humans, animals or the environment.

- **Green Price**

Consumers are often ready to pay a premium price if they perceive the value in a product. The products that prove to be less detrimental to the environment are often less costly when product life cycle costs are considered. For example: fuel efficient vehicles such as (Toyota Prius) and energy efficient lamps such as Philips CFL tubes. Paul Dickinson, CEO of the Carbon Disclosure
Project said that even in the financial downturn the sale of the fuel efficient cars have not suffered but got only better. This justifies the concept that consumers do perceive value in green products and are willing to pay a premium for them.

- **Green Place**
  Green place involves efficient management of logistics and the entire supply chain to reduce its impact on the environment. This would involve mass-transportation, containerization, unit trains and other goods-handling technologies. Reverse channel systems have been developed for recycling of products whereby the empty bottles at the retailers end are brought back to the factories so that they can be reused.

- **Green Promotion**
  Green Promotion involves creating awareness for the green products in the marketplace. For eg, Videocon has used print ads in order to inform the customers about its new green product, d2h which is India’s first satellite LCD. Green promotion also involves use of promotional tools that save energy like internet. Many companies have now started using blogs, e mails, social networking sites to promote their products as these act as cost as well as energy saving.

**Strategic framework for Green Marketing**
1. **Why companies should go green**: This involves need identification for the companies to go green. It may be to gain goodwill, to break through the clutter, because of the demand of the customers or any other mentioned above.

2. **Setting the objectives**: This maybe in the form of potential sales of the product or expected return on investment.

3. **Developing a blueprint**: It involves determining the marketing strategy and the tools to be adopted for Green marketing. This also involves doing a cost benefit analysis of various tools to help select the best one.

4. **Selecting the best tool**: The tool that is selected should be able to meet the desired objectives and should fit well with the business strategies of the organization.

5. **Implementation**: It involves doing a feasibility study to determine the effectiveness and efficiency of the tool after its implementation.

6. **Evaluation**: It involves determining how adoption of green marketing has helped add value to the company and whether the marketing objectives set have been achieved.

**Green Marketing - Constraints**

- **Green Washing**: Green washing is the unjustified appropriation of environmental virtue by a company, an industry or a government to create a pro-environmental image or sell a product or a policy. As more companies now adopt the concept of green marketing, consumers are now becoming skeptical of the credibility of the marketing efforts adopted.

- **Conflicting Interests**: When a company decides to go green, the decision might not be supported by suppliers as they may not have much to gain. This conflict of interest between the company and its suppliers creates friction which is not the in the best interests of anyone the company, suppliers or end consumers.

- **Lack of consumer awareness at grassroots**: In developing countries like India, the lack of awareness about the importance of conserving the environment in the rural areas is a major impediment as consumers see no difference between a green product and a normal product. Therefore, before introducing a green offering to the market companies have to undertake expensive educational drives to make consumers aware about the benefits of the product which may increase overhead costs.
Challenges for green marketers

- **Lack of credibility:** Because of green washing, consumers now perceive green marketing as just a way for the companies to achieve goodwill. Most of the marketing efforts are now considered as just a lip service with absolutely no means of protecting the environment.

- **Overexposure:** More and more companies are now claiming to go green through their marketing efforts. Thus there exists a clutter in the industry with absolutely no distinction between the companies. This creates skepticism even towards the genuine cases.

- **Consumer behavior:** Consumers may express their preference to buy environmentally safe products, or claim to base their purchase decisions on environmental considerations but may not be willing to pay the extra cost associated with the green products. Thus, their purchase behavior varies from what they claim to buy.

Scope for future research

Green marketing is a new science in the field of marketing. Not much research has been carried out in the field of green marketing and we feel that adequate studies have to be carried out to enhance the green marketing practices by corporate and show them the path towards future progress.

Conclusion

With growing concerns on environmental issues, various pressure groups like NGO’s tightening the belt and consumers, ever changing demands is defining new challenges for marketers to embrace green marketing as their future potent strategic tool to cut through the clutter and emerge victorious in this cut throat battle for market share and mind share.

Appendix: Case Study on REVA

**About REVA Electric Car Company Private Ltd (RECC)**

REVA Electric Car Company Private Ltd. (RECC), based in Bangalore, India, was established in 1994 as a joint venture between the Maini Group India and AEV LLC, California USA, to manufacture environment-friendly and cost-effective electric vehicles. Seven years of R&D earned the RECC recognition in the form of 10 patents and a globally accepted product. REVA, India’s first zero polluting Electric Vehicle for city mobility, was commercialized in June 2001.
RECC is guided by "zero principle" of the Maini Group. Zero defects, zero time delays, zero inefficiencies and zero pollution. This is achieved through Zero Wastage and Zero Compromises.

**About the REVA**

Chetan Maini first dreamed of an electric car after his father began making electric golf carts in the late-1980s. “We had technology so the idea was always in my head,” says Maini. Then, in 1990, he and some friends from the University of Michigan built the Sunrunner, a solar-powered car, for the ‘World Solar Challenge’ where they finished third, beating auto majors such as Ford and Mazda. World Solar Challenge was a turning point of Maini’s career. Then, Maini went to Amerigon where the Reva project was started. It was pursued first in the US and once the technology had proven itself, the project moved to India in 1994.

RECC has invested $22 million of its own money since research began in 1994. In December 2006, it received another $20 million from venture capitalists Draper Fisher Jurveston and the Global Environment Fund. One major decision that was made for Reva was to remove the conveyor belt from the factory. Revas roll through assembly with the wheels already fixed to the chassis. RECC says this lowers capital costs as well as power consumption. Also, the car bodies are plastic instead of metal. Plastic can be pre-impregnated with color, and is easier to mould. Also, it is dent-proof, allowing repairs after small accidents are cheap. Additionally, plastics mean lighter cars, which reduce the load on Reva’s eight lead-acid batteries.

**The Challenges**

RECC requested the government for tax breaks in the late 1990s. In turn, it received a subsidy on excise duty, but lost it two months after the Reva’s launch. Astonishingly, the duty on fossil fuel cars was simultaneously reduced, making these more affordable.

RECC saw a glimmer of hope when Finance Minister P. Chidambaram granted several duty exemptions for EVs as well as select EV components. However, Due to excise exemptions, and zero duty on the final product, the eligibility for CENVAT credit and taking refund of the same, was no longer available. Ironically, Chidambaram’s duty cuts made the Reva more expensive.
RECC also received support from the government. The Ministry of New and Renewable Energy subsidizes 33 per cent of EV costs, but only for purchases by government departments, public sector units and private institutions. Rajasthan exempted EVs from road tax, while Chandigarh recently announced its own subsidy. Delhi, Andhra Pradesh and Orissa provide various tax exemptions.

**Looking to the future**

RECC will release at least three new models soon. The first is a limited-edition convertible that may be based on the Reva NXG concept. There are also plans for a four-seater hatchback and a mini-truck. Also, GM India and Reva have announced a partnership to develop an affordable electric car for the Indian market. Both companies have started feasibility studies that would use GM small car platforms to host co-developed drive trains and control systems.
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Marketing in Financial Inclusion

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Abstract

Financial Inclusion refers to the inclusion of the poor and underprivileged sections of the society by providing them with the basic financial products and services. Financial Inclusion is aimed towards tackling poverty and deprivation. It links up with work to regenerate disadvantaged sections of the society and empower local communities, and to tackle other issues that relate to poverty, such as inequalities in health and education. It should also be part of the activities of financial institutions and a whole range of voluntary organizations and social enterprises.

Debit cards, internet banking and direct debit facilities are now common, convenient and cheap ways of paying for goods and services. Yet, there are still people who are excluded from using these services. People who are losing out as they are unable to take advantage of the benefits offered by the range of financial products available. People from the under-privileged sections of the society, are unable to borrow at a fair rate, save for necessarities or make provision for their future. In addition they also face significant disadvantages such as being unable to start a job or set up home. For them, borrowing without a bank account means using high interest lenders. Many of the people in this position live in the poorest communities and find themselves without choice or access to basic financial services, making it even more difficult to find routes out of poverty.

In order to tackle the problem of financial exclusion or so toss make headway in this direction, we need to address this situation right from its roots. Thus, financial inclusion aims to see more people with savings, bank accounts, accessing basic banking services and seeking access to affordable credit if they need to borrow.
Introduction

Financial Inclusion is providing or ensuring banking services at affordable costs to the weaker sections of society or the unbanked segment which does not have access to the formal banking system. Financial inclusion aims to see more people with savings, bank accounts, accessing basic banking services and seeking access to affordable credit if they need to borrow.

The Reserve Bank of India setup a commission (Khan Commission) in 2004 to look into Financial Inclusion and the recommendations of the commission with a view of achieving greater Financial Inclusion to make available a basic "no-frills" banking account. In India, Financial Inclusion first featured in 2005, when it was introduced, that, too, from a pilot project in Union Territory of Pondicherry, by K C Chakraborthy, the chairman of Indian Bank. Mangalam Village became the first village in India where all households were provided banking facilities. In addition to this KYC (Know your Customer) norms were relaxed for people intending to open accounts with annual deposits of less than Rs. 50,000.

The banks have the responsibility to ensure credit quality and also to integrate a larger section of the population within the banking fraternity with the objective of greater financial inclusion. In contrast, in many banks, the requirement of minimum balance and charges levied, although accompanied by a number of free facilities, deter a sizeable section of population from opening and maintaining bank account. With a view to achieving greater financial inclusion, the RBI has urged all banks need to make available a basic banking “no-frill” account either with nil or very low minimum balances as well as charges that would make such accounts accessible to vast sections of the population. The nature and the number of transactions in such account could be restricted, but made known to the customer in advance in a transparent manner. All banks are urged to give wide publicity to the facility of such “no-frills” account so as to ensure greater financial inclusion.

Research Objectives

- The specific objectives of the study to understand the Financial Inclusion and its marketing strategy in India.
- To understand how to sustain growth in Financial Inclusion.
• To find out the technology delivered in Financial Inclusion.
• To understand the RBI’s initiative for Financial Inclusion.

**Importance of the study**

It is a necessary condition for sustaining equitable growth. There are few, if any, instances of an economy transiting from an agrarian system to a post-industrial modern society without broad-based financial inclusion. A people having comfortable access to financial services, we all know from personal experience that economic opportunity is strongly intertwined with financial access. Such access is especially powerful for the poor as it provides them opportunities to build savings, make investments, and avail credit. Importantly, access to financial services also helps the poor insure themselves against income shocks and equips them to meet emergencies such as illness, death in the family, or loss of employment. Needless to add, financial inclusion protects the poor from the clutches of the usurious money lenders.

In India, there are approximately 400 million people in nearly six million villages and semi-urban areas waiting for small loans and other banking services. There is scope for lending Rs 45,000 crores to these people. Against this potential, only about 20 million have been served so far by the organized financial sector, with total disbursements of about Rs 3,900 crore. These intermediaries could be used as business facilitators (BF) or business correspondents (BC) by commercial banks. Business correspondent/Business facilitators refer to banking representatives in remote areas where banks are not present. They carry out banking activities to facilitate financial inclusion. Reserve Bank of India’s vision for 2020 is to open nearly 600 million new customers' accounts and service them through a variety of channels by leveraging on IT.

**Literature Review**

**UID Key to Financial Inclusion: Nilekeni**

The government’s Unique Identification (UID) number project initiated recently is expected to become the fundamental link for widespread financial inclusion in the country. In his valedictory address at the Economic Times Financial Inclusion Submit 2009, initiated by Times Grey Cell, the Unique Identity Authority of India chairmen Nandan Nilekeni said the Authority is working on developing and open platform which is draw on the strength of the banking industry and the
mobility industry to provide a reliable and convenient delivery mechanism that will reach out to
every individual in the country.

“We believe financial inclusion is at the tipping point in the country. Not only is there huge
stress & will in the Government to reach out to every individual but also public spending is
beneficiary oriented like the National Rural Employment Guarantee Act (NREGA) or old age
pension scheme among others. Crores are spent on financial inclusion every year and each of
these schemes involves delivery of some money to an individual. UID is the building block by
which one can identify the beneficiary. When this is associated with some kind of an account
like a no-frills account, it can act as a delivery pipe in the system.

State Bank of India Into Financial Inclusion

Financial Inclusion Suggestions: Business Correspondent Channel

- Introduction of technology enabled products by Banks, Insurance and Mutual Funds.
- Governments to use technology based accounts for effecting benefit transfers (like NREGA,
  Social Security pension etc.) and provide support for channel build up.
- Financial Inclusion Literacy – Spreading awareness is a responsibility of all operating level
  stake holders, viz. : Govt, RBI, NABARD, Banks, Insurance Cos, NGOs etc.
- Social upliftment plans (like NREGA, SSP) should allocate a fund to support channel build
  up under a common plan.
- Basket of entities eligible to be appointed as BCs should be expanded (shop keepers, petrol
  pumps etc) as recommended by the working group of RBI.
- RBI incentive of Rs.50 per ‘No Frills’ account should be extended for all account
  irrespective of whether they are used for Government payments or not.
- Remuneration received by BC/BF/CSPs should be kept outside the purview of service tax.

Financial Inclusion :Suggestions-Micro Finance Institutions

- Extension of Credit Guarantee scheme of Credit Guarantee Fund Trust to cover Bank loans
to MFIs/NBFCs for on lending.
- Credit Information Bureau (India) Limited should develop appropriate data-base relating to Micro Finance Sector also to aid for Bankers in their exercising due diligence in financing MFIs.
- Bringing MFIs under NABARD regulation and putting in standardized norms for lending / equity support to MFIs.

OUTREACH THROUGH BC/BF

![Customer Service Points (CSPs)]

Support CSPs through dedicated cadre of Channel Management Facilitators

OUTREACH THROUGH BRANCH AND ATM EXPANSION

- 1000 new low cost ATMs specially for rural and semi urban areas planned this year.
- Mobile Marketing and Recovery Teams support these Branches acting as spokes for the Branch hubs.
Technology Strategies

- Different geographies and different infrastructure mandate the need to engage varied Technology platforms and processes.
- Multiple front end technologies with a common back end process. All accounts to be in the CBS (core banking solutions) of the Bank eventually.
- Initiatives introduced proactively to institutionalize key processes and systems.

SBI’S TECHNOLOGY INITIATIVES

SBI Tiny Card
- Operated with fingerprint identification.
- Uses mobile phone/PoS device, fingerprint scanner & printer.
- Supports SB, RD, OD products and Remittance.

KIOSK Banking
- Internet based, Bio-metrically enabled.
- Online, real time banking transactions.
- Cost effective if existing infrastructure (like with Common Service Centers) is utilized.

Cell phone based messaging
- Uses low end mobile with PIN & signature booklet.
- No biometrics.
- Customer gets acknowledgement through SMS.
- Avoids cost of PoS, card, PC-kiosk and fingerprint machine etc.

SBI’S Contribution to Micro Finance
- Insurance product for Self Help Groups (SHGs) members.
- Life Insurance cover varies from Rs. 5,000 to Rs. 50,000.
- Annual premium varies from Rs. 60 to Rs. 601.
- Provision for refund of 50% of Premium for a term of 5 years and 100% premium for term of 10 years.
- More than 9 lakh SHG members covered so far.
95% of RUSU branches achieved the target of 250 rural household accounts per annum as stipulated by Rangarajan Committee.

151 lakh households covered in 84,186 villages under 100% Financial Inclusion of SLBC project

About 29 lakh customers enrolled through Technology based accounts. Another 26 lakh No Frills accounts opened at branches.

More than 200 RCPCs set up to enhance credit processing capabilities.
Business Correspondence/Business Facilitator-Challenges and Learning’s

Viability of BCs – High investment with low returns

- Getting suitable Customer Service Points.
- Cash management.
- Service Tax on BC/BF activities - avoidable formalities.
- Technology challenges for expansion, cost and interoperability issues.
- Risk Mitigation.
- Customer Education
- Absence of a Governmental support framework for viability of BCs.

Collection of Data

Financial Inclusion Key to Sustain Growth

- India got a high growth rate in recent year but still most of the population in the country do not have access to the banking services and credit.
- Financial inclusion can be achieved where the needs and wants of the poor and under privileged.
- Government policy to allow bank to lend in micro finance and need innovation in technology and policy for financial inclusion.
- No-fills A/C have allowed access to basic banking services. BC and BF has helped to provide wider access for the under privileged.
- Comparing with the other countries & design future policy initiatives.
- Corporate can also implement business model to scale up the process of financial inclusion.
- Business initiatives must target or poor to make a profitable ventures & corporate India look after them just for the sake of social responsibility.
- Experts are also of the view that there is no need for mandatory regulatory norms to ask corporate to involve themselves in financial inclusion initiatives. The government should limit its role to encouraging the ongoing process. There is a huge interest from private equity players and other investors because financial inclusion there has proved to be commercially viable.
• Telecoms are also interested in doing financial inclusion. They do not have a bank account & by mobile banking them can help to provide them access to financial services it has be cost effective.
• There must be a need for providing financial services like micro pension and micro insurance products.
• There should be also a need to design financial products like saving and pensions.

Make Rural Customer Self Reliant Through Tailor-Made Insurance and Pension
Understanding the needs of the rural customer & designing financial products like saving & pension that are tailor-made for them.
• The need for the finding cost effective & holistic solution to engage the poor by selling insurance & pension product.
• India has about 400 million people who live on less than Rs.30 per day & have no access to any formal financial services.
• They usually borrow from unconventional sources like family members or money lenders.
• Would have to look for cost effective solution to be able to make them financially viable.
• It is important to understand that rural consumers may not be able to do banking in traditional ways.
• ‘MANN DESHI’ formulated the concept of door step banking where their associate goes to women to collect the money for saving product.
• ‘MANN DESHI’ designs their product in such a manner that the product matures at a time when these people need it the most.
• Pension or insurance products are the most challenging products to sell to people who barely meet their every day need.
• Pension Fund Regulatory and Development Authority can include features in the product that will put no binding pressure on a person to make monthly payments & will provide options to drop out of the scheme whenever they want.
• Offering supplementary saving products in addition to pension products to ensure they have liquid money for emergency purpose.
• There is need to focus on spreading financial literacy about various financial products especially insurance & pension. This is one aspect that is lacking in various initiatives.
Financial Inclusion In Corporate

- A few good business models and practices are already existing that can be replicated nationally to help the poor benefit from the country’s economic growth.
- There is an imperative need for financial inclusion. Unless they start including the poor to their side of the bench, young children will continue to fall into the hands of fundamentalist school that are all over the country.
- To ensure that financial inclusion venture sustain them, corporate must offer integrated and personalized services to meet the need of the poor.
- They have to provide end to end solution. If credit is used for personal consumption or not achieved. The intension is to move the poor out of this viscous circle.
- The poor in the country has not benefitted from the good Gross Domestic Product growth the country recorded in last 3 years.
- They need to identify the business models for the poor & low income groups. Unlike Fast Moving Consumer Goods they cannot set up the distribution channels & push products down to the rural masses.
- They need to create opportunities, necessary skills & provide money. They have to use the information highway to get to the root cause & increase money in their hand.

Technology Delivered Inclusion

- Telecom companies can partner banks in providing financial services to the poor & also to poorly banked areas.
- Increase penetration of financial services through cell phones.
- It has to be cost effective. Telecom banking services are consider to be cost effective because to their better accessibility in the rural areas
- Institute for development & research in banking technology has stress on the need for branchless banking system that is customer centric & technology agnostic, banks need to humiliate telecom companies in developing low cost transaction system which would be in the form of smart card or on mobile base.
- One size fits all “SOLUTIONS”- under this the solution need to be morph themselves for different technology for different type of customers. E.g. an illiterate customer would use a solution that is based on biometric but another customer who can read & write should be able
to use the same technology through the Personal Identification Number base banking transactions.

**RBI’s Initiative**

Our approach to financial inclusion aims at 'connecting people' with the banking system and not just opening accounts. This includes meeting the small credit needs of the people, giving them access to the payments system and providing remittance facilities. This has led to some notable developments:

- No Frills Accounts.
- Easier Credit facility.
- Simpler KYC Norms.
- Use of Information Technology.
- Electronic Benefit Transfer through Banks.
- 100% Financial Inclusion Drive.
- Business Correspondent Model.
- Bank Branch and ATM Expansion Liberalized.
- Project Financial Literacy.
- Financial Literacy and Credit Counselling.
- Financial Curriculum in Schools and Colleges.

**Limitations Of The Study**

It is secondary research and there is lot of scope for further study.

**Recommendations**

1. Financial literacy programme should be actively implemented to increase awareness about financial products to educate and advice on money management, debt counseling, savings & affordable credit.

2. Cost effective technology can be valuable tool in providing access to bank products in remote areas.

3. Expansion of outreach through linkage with microfinance institutions, post offices & local communities.
4. Increase marketability of this concept through electronic media i.e is television, radio & newspapers.

5. Give wide publicity to the facility of no frill accounts.

**Conclusion**

Financial inclusion is a win-win opportunity for the poor, for the banks and for the nation. Because of growing incomes, and improving awareness levels, aspirations of the poor are on the rise. We will not be forgiven if we do not rise up to meet these aspirations if only because of poverty of imagination. It is for the banks to convert what they see as a dead-weight obligation into an exciting opportunity and move on aggressively on financial inclusion.

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Significance of Quantitative Techniques in Management

Jayshree Wasnik

Abstract

Conventional marketing concepts have always focused on acquiring more customers; but today’s fierce competitive environment has changed the market dynamics. The competitive landscape for market research industry has set new challenges as the organizations are continuously looking to measure ROI on every penny being spent. The biggest challenge today is to retain the acquired customer to create loyalty and get the repeat business. Business world which is always desperate for the information obtained by market research came under the strong budget pressure created by the global recession. The slowdown in the market first attacked the market research budget thereby leading companies to undergo severe cost cutting.

Corporate continued to require the market research assistance for decision making but this slowdown put them under downward pressure on research expenditure. Corporate would spend in market research for small and medium sized projects that support their balance sheets at a certain level but there will be high expectations from the research outcomes. Therefore the challenge here for market research agencies is providing maximum information at minimum cost to retain the customers. During recession, research providers who supply quality and value throughout the difficult times will emerge as the long term survivor in market. Quantitative techniques are used to quantify and segment the markets and to measure customer awareness and attitudes towards different manufacturers and to understand overall customer behavior. Such techniques are extremely powerful to understand that key audiences can be targeted and monitored over a time to ensure the optimal use of the marketing budget. The heart of all quantitative techniques is the statistical sample. Sample selection has to be done very carefully and also the design of the sample questionnaire and the quality of the analysis of data collected has to be monitored minutely. Quantitative methods provide a base to develop a research design. The fact is that a business cannot be successful without having the right data about customers, products and the market in general. Quantitative techniques serve as an essential measurement tool for viable market research projects/ surveys enabling any company to survive and thrive in todays fiercely competitive market conditions.
Introduction

Quantitative Techniques in Market Research-Importance

Market research is a continuous process of collecting and analyzing the data and information relevant to the specific marketing situation faced by an organization. Quantitative techniques are the research techniques that are used to collect the quantitative data that is the information dealing with NUMBERS and anything which can be MEASURED. A business organization uses the quantitative techniques to measure, quantify, estimate and segment the markets. The most common quantitative technique being used today is the “market research survey”. Surveys are basically the projects that involve collection of data from multiple cases – such as consumers or set of products. A survey is conducted by selecting a statistical sample whereas a sample (number of respondents participating in a survey) represents a relevant proportion of target population. The questionnaire is one of the more common tools for collecting data from a survey. For example, a company might ask its customer to rate its overall product / service as excellent, good, poor or very poor. Every respondent would be asked the same set of questions. The approach is very structured and normally involves large number of interviews / questionnaires. This will provide quantitative information which can be then analyzed statistically. The outcomes resulted by this analysis gives the facts and information about the customers, products and the market in general.

5 essential areas measured with the help of quantitative techniques

1. Customer information such as their age, location, gender, buying behavior and motivations
2. Competitor information such as their identity, marketing network, customer focus, scale of operations
3. Product information such as how customers talk about it
4. Industry information such as trend of sales, seasonal demand patterns and
5. Competitive opportunities such as underserved consumer segment and unmet customer needs

Methods of data collection to get the quantitative information

1. Online – fast implementation of complex measurements
2. Phone – useful for getting first reaction attitudes
3. In person – in depth probing of attitudes and beliefs by skilled interviewers
4. Mail – allows time for respondent to think about complicated issues without pressure
5. Intercept: Central location test (CLT) – For both quantitative questions and for physical product examination and product testing

**Some Commonly Used Quantitative Techniques By Marketers**

<table>
<thead>
<tr>
<th>Techniques</th>
<th>Application areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Correlation</td>
<td>To measure the degree of association between two sets of quantitative data. E.g. how are the sales of product A correlated with product B?</td>
</tr>
<tr>
<td>2) Regression</td>
<td>To explain the variation in sales of a product based on advertising expenses</td>
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<tr>
<td>3) Cluster analysis</td>
<td>Segmentation - to identify the group of target customers who are similar in buying habits, demographic characteristics or psychographics</td>
</tr>
<tr>
<td>4) Discriminant analysis</td>
<td>To distinguish between 2 or 3 sets of objects or people based on the knowledge of some of their characteristics, for example dividing a group of people into potential buyers and non-buyers</td>
</tr>
<tr>
<td>5) Factor analysis</td>
<td>A reduction technique useful for identifying the underlying factors from an array of seemingly important variables</td>
</tr>
<tr>
<td>6) Multidimensional scaling</td>
<td>Product positioning / brand positioning</td>
</tr>
<tr>
<td>7) Conjoint analysis</td>
<td>Useful in capturing the exact levels of utility that an individual customer puts on various attributes of the product offering</td>
</tr>
</tbody>
</table>

The above mentioned list is just the popular one; there are many more techniques which are being used in the area of market research. There exists a vast range of opportunities to apply quantitative techniques in market research. So many business organizations have been successful in bridging the gap between ideas and implementation by using these quantitative techniques appropriately.

**Examples**

**COMPANIES WHO HAVE SUCCESSFULLY IMPLEMENTED THE QUANTITATIVE TOOLS / TECHNIQUES**

1) *P & G* - Proctor and Gamble, the world’s leading fast moving consumer goods (FMCG) company employed quantitative research techniques extensively. These techniques helped in generating new product ideas for P&G. The major techniques used by them included blind tests, concept tests, habits and practices and quality monitoring. P& G’s market surveys saved considerable time and costs for the company.
2) **BBC World in India** – BBC world conducted a survey in order to understand the Indian market. The survey was conducted to find out their investing habits, surfing habits, usage of mobile phone and television viewing habits which helped them to launch India centric programs during prime time and increase their viewership.

3) **Harley Davidson** – HD is one of the few companies that had been managing its innovation processes even before the days the concept became popular. It appropriately used concept testing and successfully launched its new models in market.

4) **IBM** – IBM has been using quantitative tools in operations research. These tools enabled proper tracking of raw material movement, decrease in overhead costs and improvement of efficiency. Quantitative tools like beta, Sharpe ratio help measure the amount of risk involved in stock market investments.

And the list goes on. The Indian companies like ICICI Bank, HDFC, Reliance Infocomm, UTI, ABN AMRO and many others utilized quantitative tools in the areas such as cross selling, employee attrition management and customer acquisition and retention.

Business organizations have realized that the cost of doing the quantitative research is lower than the cost of a wrong decision being taken without using quantitative techniques.

**Changing Scenario of Indian Market Research Industry**

As Asia’s third-largest economy and with consistent annual growth of around 9-10% expected for the near future, India is undeniably an emerging force on the world business stage. As both local and international companies look to reap the rewards of this burgeoning market, effective research will become an ever-more crucial tool for organizations looking to expand in India. With all the movement and action, Indian research has well and truly arrived on the global front. The potential is tremendous and there is a major growth and standardization wave. India now figures more and more in the global research radar.

There is a growing client-side demand for research and the trust-level of Indian researchers is increasing. The current business model is of low-cost, high-volume but this is changing with the advent of MRO (Market Research Outsourcing) and KPO (Knowledge Process Outsourcing). The research environment is growing as research needs grow – those new to commissioning
research realize that “Some information is better than nothing”. As per the ESOMAR report, India is among the lowest in the world in terms of low prices charged on clients.

Virtual captive centers and offshore partnerships drive the low- and high-end of research in India from coding and data entry to Data Analytics and Business Intelligence. This has contributed to the standardization wave when companies can now work on a common platform with set processes.

There is a definite organization structure evolving – professionalizing Indian market research. Gone are the days when a researcher was an all-rounder doing everything from thinking, execution, client management and commercial. The focus is on specific divisions for specific research, leading to in-depth knowledge.

**India needs to adapt to the technological developments**

Ironically, India is a software powerhouse – but Indian market research has yet to catch up on the technological front. Market research firms still use basic software tools, and that too is only on a need-to basis. India is still face-to-face dependent, but that is changing gradually. CATI is prevalent but online is still a nascent area as internet penetration is low. Panel firms are already entering India in a big way, setting the stage for the e-wave to sweep across in due course.

The needs of market research agencies are still evolving in terms of newer applications; there seems to be no significant difference in the use of technology in the past and the present; evolution in technology is seen more in terms of version upgrades, automation and processing speed. The bulk of small and medium sized market research firms are still tied to the traditional tech tools and are yet to experiment with new modes, though a few have dabbled with the online platform. The big players on the other hand are moving forward with handheld terminals and mobile surveys.

The trend in technology in client organizations seem to have undergone a sea change; they are looking at shorter innovation cycles, real-time service of queries, transparent status reading
systems, end-to-end interaction with consumers using enhanced technology; and technology is expected to take them a step ahead – from analysis to modeling.

**Boom: The way ahead**

Client organizations are more receptive to applying data mining. These services will soon be embraced by the research organizations, leveraging on the availability of a good education pool. Just as product companies go through the evolution lifecycle, the research service industry also needs to upgrade and come up with newer client servicing options – like branded market research agencies setting up in-house research divisions for larger corporations (this will ensure data security, real time data available at every stage).

The future of Indian research from a market opportunity point of view is very bright simply given the growth in economy and the increasing need for consumer insights for sound decision-making. This includes Multinational corporations and the new Indian ventures on the retail, realty and hospitality front. What will determine success or failure is how the agencies can transition themselves and put in structures and technology in place to tap the opportunity. Globalization will continue to drive the research standardization wave and the time to get involved with Indian research is now.

**Challenges Faced By Market Research Companies In The Wake Of Recession**

During recessionary times market is largely driven by sentiment; as a result decision making based on quantitative research has slowed down. Client companies have started to focus on cost cutting and the first heads which is getting attacked is the research expenditure.

1) Fees have come under tremendous pressure. Clients are aggressively trying to squeeze out the research expenditure so as to save on some cost.

2) Corporates are continuing to invest in small to medium size projects that are supported by their balance sheets. On investment side corporates will not hedge their balance sheet beyond a certain level but larger research projects that require diverse participation has come under pressure unless corporates are willing to support it.

3) Larger corporates would drive growth and consolidation through acquisitions over the next couple of years.
4) India opportunity is yet to be leveraged. While investments in China have started giving returns, India is yet to be addressed in its true sense. Despite all the concerns that exist about Indian infrastructure there are investments to be made and low risk high value human capital to be serviced in India. India competes directly with many east European countries but the huge domestic market and trained talent pool in India keeps it ahead.

**Action Pointers To be Taken By Market Research Companies During Recessionary Times**

1) Clients need to be examined as the inward flow of enquiries (repeat business) has slowed down. Companies need to qualitatively assess their drivers to spend on research services. Companies need to look at those clients who require ideas to trigger investment in research and subsequently into new businesses.

2) Companies need to strengthen their prospect scouting and business development efforts. They need to look beyond the existing list of their clients. They need to carefully select the companies by assessing their capability, aspiration, ability to fund growth and financials before short listing.

3) Companies need to extend the contracts with the existing clients by working more closely with the delivery team.

4) Companies need to develop an aggressive approach with tight cost controls by monitoring the existing client calls, turn around error free fast proposals, chase for decisions and by using the infrastructure effectively.

**Information Gap Fulfilled By Using Quantitative Techniques-Advantages**

It helps to arrive at the research problem in very specific and set terms

- The results are statistically reliable
- It clearly and precisely specifies both the independent and the dependent variables under investigation
- It firmly follows the original set of research goals, arriving at more objective conclusions, testing hypothesis, determining the issues of causality
- It helps to achieve high levels of reliability of gathered data due to controlled observations, laboratory experiments, mass surveys, or other form of research manipulations
- It also helps to eliminate or minimize the subjectivity of judgment
Conclusion
In the wake of tough times today, companies should try to successfully implement the quantitative techniques. Research agencies do play a valuable role in this. But without the appropriate usage of these techniques substantial improvements in marketing performance will be difficult to come by.

Ultimately quantitative research techniques in the decades to come will be about truth, understanding, accountability and successful implementation in addition to brand, position, creativity and big ideas. Those who embrace this new paradigm of techniques today will be at forefront of the cut throat competition.

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Impact of Qualitative Analysis in Sport Industry
Dr. Neelu Tiwari

Abstract
Valid and reliable research is pivotal to successful sport marketing strategy. Market research may be gathered via either quantitative or qualitative means. This paper explores the theoretical background and practical applications of qualitative research techniques. It explains the appropriate context for qualitative approaches, and discusses sampling procedures with particular emphasis on the powerful but simple technique known as theoretical sampling. In addition, it clarifies and explores data analysis procedures. The purpose of this paper is to provide sport market research practitioners with a model for implementing qualitative methodologies in sport marketing campaigns.

Introduction
Successful sport marketing decisions are based on good information. This information, or market research data, provides the sport marketer with reliable data concerning the 'market' and the consumers it contains. Market research is the process of learning what customers want, listening to their desires and expectations, and determining how to satisfy those wants. In addition, it is used to assess how customers react to a marketing plan. Thus, market research cannot only be used to answer specific questions; it is also concerned with the following broad issues about the market:
- Who are the customers and what do they want?
- In what manner and how often should communication be made with customers?
- Which marketing strategies elicit the "best" responses in customers?
- What responses will each type of marketing strategy elicit?
- What mistakes have been made?

Market Research Approaches
In general there are two primary data collection approaches to market research: quantitative, which generates superficial data from a diverse and sizeable sample, and qualitative, which produces in-depth information from a narrow and relatively small sample. In practical terms, as
far as the sports marketer is concerned, this means that information about the marketplace can either be collected through in-depth conversations with key constituents of that market, or by collecting impersonal but generalisable statistical information from a broad representation of the market. Both approaches have their strengths and flaws. However, for the purposes of this paper, we shall confine our discussion to qualitative methods, with the objective of providing a low cost, but valuable market research alternative.

Qualitative research can be defined as a systematic, empirical strategy for answering questions about people in a bounded social context, such as a sport market. Like most other methodological approaches, qualitative research seeks to answer the question: "What's going on here?" However, qualitative research differs from conventional scientific inquiry in two major respects: first, the assumptions the researcher makes at the strategic level, and second, the methods employed.

In qualitative research, significant attention is paid to the research assumptions, and the subjective views of respondents. This so-called "interpretive" approach emphasizes that people's individual and collective thinking and action has a meaning that can be made intelligible. In other words, an interpretive approach seeks to explain the behaviors of people in terms of the meaning it holds for them. Like all sound research, it retains the assumption that the goal is to describe and explain reality without a value bias. However, the interpretive viewpoint rejects the possibility of creating generic laws. As a result, qualitative sports market research focuses on the perceptions, opinions, beliefs and practices of individuals, and the assigning of these views with an underpinning meaning. The results of qualitative market research must be considered within the "unique" context of each marketplace. That is, each set of results is a 'focused and bounded phenomenon' embedded in a specific place. To put it another way, it is acceptable to "break down" the views of one specific sport market into a common concept or theme, but it is not acceptable to assume that the data will be relevant or transferable to another sport market.

To summarize thus far, qualitative research is based on the theoretical and methodological principles of interpretive science. According to Sarantakos, qualitative analysis contains a minimum of quantitative measurement, standardization and mathematical techniques. Moreover,
the process of qualitative research brings together collection and analysis of the data in such a way that the identification of data leads automatically to its analysis, which in turn directs the area in which data should be sought and identified in order to be analyzed again. This ongoing process culminates in the development of new concepts and theories, which can explain market characteristics in ways impossible with quantitative techniques.

Qualitative research can be further distinguished from quantitative research methods by its fundamental approach to solving the research question. For example, quantitative methodologies generally separate the research object from its context, whereas qualitative research assumes that the social world is a human creation, not a discovery. Thus, qualitative market research attempts to capture reality as it is; as seen and experienced by the consumers. In addition, qualitative research perceives the researcher and the researched as two equal components in the same situation, where each are viewed as holistic individuals rather than being reduced into their constituent parts. In other words, the researcher and participant engage in an "interactive process" where "words and observable behaviour" become the primary data. Reducing people into numbers and statistics implicitly causes a loss of perception of the subjective nature of human behavior. But data collected in qualitative research is gathered verbally, producing descriptive data, presenting the respondent's views and experiences in their own words, which once analyzed and conceptualized, can provide a revealing explanation of consumer behavior.

When to Use a Qualitative Approach
Qualitative market research has traditionally been unpopular for exploring sport markets. This is principally the result of confusion concerning the appropriate application of qualitative techniques, and uncertainty about the quality of data they generate. Quantitative procedures provide admirable data when used on broad samples and most managers feel comfortable with an array of numbers and percentages. Moreover, the validity of this quantitative generated data is assessed on the basis of statistical generalisability. While this is obviously important, little attention is given to the validity of the questions asked in the first place. Quantitative methodologies that employ questionnaires and scaled responses rarely generate the "hidden," "deep" or elusive information that is often necessary to solve the research problem. It is for this reason that qualitative data, if collected first, can provide the detail necessary to frame
subsequent quantitative inquiries. Therefore, when the aims of sports market research are essentially exploratory, a qualitative approach can be used effectively. In other words, if the focus of the research is on gaining a broad understanding of marketplace issues, then a qualitative methodology is an ideal starting point.

**Sampling**

**Theoretical Sampling**

Every market research technique requires a structured and duplicable method of selecting who in the market will be questioned. Qualitative research typically utilizes a small sample representing the key constituents in the market under scrutiny. This is usually called "purposeful sampling," which contrasts with quantitative approaches, which "depend on larger samples selected randomly". The difficulty is determining the identity of these key constituents, and subsequently selecting an appropriate and representative group of informants. Theoretical sampling is a solution to this problem.

Theoretical sampling is one of the most powerful weapons in the arsenal of qualitative market research. Although it is not widely known, it is simple, inexpensive, requires little expertise, and has the potential to change the face of market research approaches.

Theoretical sampling hinges upon the selection of consumers, "respondents" or "informants" on the basis of the relevant categories, issues, themes, and concepts that emerge prior to and during data collection. The object of theoretical sampling is to uncover diversity by facilitating the identification of a full range of possibilities that are theoretically relevant to the research question. Simply speaking, a market researcher may already have pieces of vague data or some educated suspicions about the behaviors and perceptions of customers they are studying. These ideas become "working" theories; serving as beginning points that are confirmed or rejected as the research proceeds, and which point the way to additional data to be collected next in order to explore aspects of the modified working theory that have become important. Thus, by using theoretical sampling, the data-collection and data-analysis components of the research are conducted simultaneously. Each piece of analyzed data provides information about where to look next for further data. The initial "working" theory is continually modified as a consequence of
further investigation, until it stands up to all additional data. At this point the working theory may be considered final.

For example, we may begin with the working theory that males are biologically more aggressive than females, and therefore will have a greater preference for contact sports than females. However, when the notion is explored, other factors, such as class, income, occupation, geographic location, upbringing, nationality, sexuality and personality may also have an impact. The point is that we don't know the range of probable causes and influences until we start to gather information about the question. Thus, through analysis, the market researcher is directed to wider informant bases, which are approached next in order to explore aspects of the working theory that have become important, and may subsequently shift the original theory more in line with "reality".

A colorful example may explain where the prosaic principles fail. Let's assume that we're running a gymnasium, and we're conducting market research to gain an insight into the fundamental question: Are our customers satisfied with the services they are being delivered? We want detailed responses, and we recognize that some of the information we require in order to improve our services may be elusive and difficult to extract by using "number-crunching" methods. The only way to gather the information is to talk to a cross section of customers, in an "in-depth" manner. The problem is whom do we talk to? Theoretical sampling provides the answer.

We may know from membership records that our members are predominantly aged between 20 and 50, consist of both genders (M and F), and appear to use the gymnasium for either health/fitness reasons (H) or to bolster sport performance (S). Our experience "on the floor" with members also indicates that different age groups have different requirements and women generally have different expectations to men. These are our "theoretical" starting points, and are expressed below
Table 1: Initial sampling categories

<table>
<thead>
<tr>
<th>AGE</th>
<th>20-35</th>
<th>36-50</th>
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<tbody>
<tr>
<td>GENDER</td>
<td>M</td>
<td>F</td>
</tr>
<tr>
<td>MOTIVATION</td>
<td>H</td>
<td>S</td>
</tr>
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<td></td>
<td>1</td>
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</tr>
</tbody>
</table>

As the table shows, we have generated eight categories of consumers. For example, the first is represented by a male between the ages of 20 and 35, and uses the gymnasium for health and fitness reasons, while the second is a male between the ages of 20 and 35, and uses the gymnasium to enhance their sporting performance. Now we have a representative sample (in qualitative terms only - it is not statistically representative) to work with.

A customer from each of these categories may now be approached for an in-depth informal or formal discussion about their opinions, criticisms, ideas, and lifestyle. Of course, you can't expect customers to reveal confidential details, but if treated with respect and courtesy, most are prepared to discuss their needs frankly. How customers are "enticed" into this discussion process is situation specific. In our hypothetical gymnasium, for example, staff are friendly with members, many of whom are willing to spend up to one hour "voicing their opinions" while they performed their stationary cycling. Alternatively, small incentives, such as a week of free solarium use or an extra month of membership would be sufficient to entice most members to reveal their views and opinions to an interviewer.

The beauty of the theoretical sampling method is that it is intrinsically flexible. The anticipation of "discovering" additional factors that may affect the original question is built into the model. For example, after completing several interviews, it may become apparent that there is another motivation for attending the gymnasium that was previously overlooked. The social factor (S) now becomes an important discussion issue. Thus, the data gathering process provides additional detail for a revised sample.
Table 2: Revised sampling categories

<table>
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<tr>
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<tr>
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<td>S</td>
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<tr>
<td>MOTIVATION</td>
<td>H</td>
<td>F</td>
</tr>
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<td></td>
<td>1 2 3</td>
<td>4 5 6</td>
</tr>
</tbody>
</table>

The theoretical sampling process should continue until no new information is discovered. This may mean that repeat interviews may be conducted in certain categories of consumers. When this "saturation" level had been reached, the collected information can be categorized on the basis of common themes and issues. In our gymnasium example, you may find that safety; instructor qualifications, pool maintenance, reception staff and equipment variety are frequently discussed, and need to be addressed by management. It may also become apparent that some categories of customers will have different responses to other categories of customers. For example, women aged 20-35 who value the social interaction may emphasize staff friendliness, while men aged 36-50 who value fitness may focus on equipment quality and instructor credentials. The great strength of theoretical sampling is that it not only ensures an appropriate cross section of informants, but also immediately identifies the categories that can be used for assembling and analyzing the data.

Data Collection

Structured Interviews

Formally defined, an interview is a verbal exchange wherein an interviewer attempts to access the opinions or beliefs of an informant, or in this case, a sport consumer. In structured or standardized interviews, every informant receives the same questions in the same sequence. This approach forces informants to respond only to the fixed question, and subsequently the information elicited reflects the depth and insight of the questions previously established by the designer of the questionnaire. There are several disadvantages to this method of interviewing. Firstly, the researcher has no flexibility to determine the beliefs, feelings, attitudes and perceptions of the respondent beyond those already highlighted by pre-determined questions. Secondly, in using a structured interview, the interviewer must become a neutral, standardized medium wherein questions are presented without bias or subjectivity. As a result, the method fails to acknowledge the inherent "humanness" of the interviewer. Finally, the detachment and
impersonal approach required can prevent trust and rapport from developing between the interviewer and the respondent. Strictly structured interviews are therefore little better than scaled response questionnaires.

**In-depth, Unstructured Interviews**

Unstructured interviews dispense with formal interview schedules and ordering of questions, and rely substantially on the interaction between interviewer and informant in order to gain information. Unstructured interviews take the form of conversations between the interviewer and the respondent; they focus on the informant's perception of themselves, of their environment and of their experiences. No questions are pre-determined or standardized. The medium for information gathering is a free-flowing conversation, relying on the interaction between the participants. The onus is on the interviewer to use their interpersonal skills to subtly direct the conversation. The interviewer allows the informant to control the conversation, but at the same time asks questions to clarify issues, or highlight comments made tangentially. The interviewer will only casually and indirectly change topics or subjects. One advantage is the greater degree of informality involved, leading to a stronger rapport. Secondly, the informant's perspective is more easily expressed, rather than the perspective of the researcher being imposed. Thirdly, the informant has the opportunity to express themselves in language natural to them, instead of being forced to fit their language within the context and concepts of the study. Finally, the conversation medium of the in-depth or open-ended interview affords the informant equal status to the researcher, thereby enhancing rapport and trust.

Burns (1994), May (1993), and Minichiello et al. (1995), all caution that unstructured, open-ended interviews should be used judiciously. Open-ended, unstructured interviews are appropriate when the objective of the research is to obtain an individual's subjective experiences reported in their own language; when access to activities, or events cannot be directly observed by the researcher; when more subjects are needed to be studied than can be practically achieved using observational techniques; and when more than one individual is being interviewed at one time.
The major disadvantage of open-ended, unstructured interviews is that the researcher is vulnerable to the interpretations and insights of the informant. As a result, the researcher may be drawn into the informant's world-view. According to Burns (1994), this problem of validity is inconsequential if the informant's behavior is congruent with their perception of reality. However, the problem remains that the researcher is unable to view first hand the context in which the informant's reported perceptions occur, and not being able to observe the informant's behavior. In this setting for example, if an informant indicates that the gymnasium facility is over-crowded at certain times, it is impractical to replicate the over-crowding, or to observe their behavior in other crowd situations. It would be prudent to acknowledge that this is a limitation of the in-depth interviewing research technique. Nevertheless, the in-depth, unstructured interview remains the chief information-gathering tool for the qualitative market researcher.

**Focus Groups**

The fundamental tool of qualitative market research is the interview, which can be applied in a variety of situations. One potent method of integrating interview data is the focus group. In focus groups, a number of respondents from the population being studied are gathered in an informal setting, and encouraged to talk about specific issues. The participants of a focus group typically share some characteristics and features that are of particular interest to researchers. The involvement of a moderator who can coordinate the group without inhibiting, intimidating or leading the respondents is necessary, so that ideas are free-flowing and all opinions are expressed. The directed group discussion is repeated with other participants until some consensus is reached and dominant trends, patterns and opinions have come to the fore. Ultimately, the systematic coding and analysis of focus group data can provide market researchers with insights into how products or services are perceived, whether they are delivered satisfactorily and what opportunities may exist for future product and service innovations.

**Analyzing Data**

**Coding**

Once market research data is collected, it needs to be compiled, interpreted and analyzed. Coding is a critical method of data organization and analysis. Analysis involves reviewing notes, audio or videotapes, transcribing or synthesizing them, then dissecting them meaningfully, while
keeping the relations between the parts intact. They specified that coding is the part of analysis wherein the researcher differentiates and combines the data retrieved, and reflects upon this information. The term "codes" as tags or labels for assigning units of meaning to the descriptive or inferential information compiled during research. Polgar and Thomas (1991), take a similar view, and indicated that coding is a process in which data obtained from interviews is systematically organized and classified. Subsequently, these codes are attached to "chunks" of varying size; words, phrases, sentences, or whole paragraphs (Miles & Huberman, 1994).

Any information obtained from an interview should first be broadly studied to gain a general familiarity of the contents. During this process, dominant concepts, themes, and issues should be noted to form categories; these categories becoming the codes with which the transcript will be interpreted and meanings developed. Thus, coding by using keywords is a tool of analysis used by researchers in order to categories or classifies the text. During the coding process, keywords are applied to sections of the text, which give specific meanings to the text as well as providing a label for the section. These codes help to reduce and analyze data and direct the researcher toward trends, themes, patterns, and causal processes.

There are many types of coding. Coding may be used at different levels of analysis, ranging from the descriptive to the inferential. It can also occur at different times during analysis, and can reduce data, combining it for easier analysis. However, the basis of coding is the reduction of large amounts of data into small amounts of data, through the process of categorization. Take, for example, the gym case referred to earlier. After examining several interviews, some common themes may emerge like safety, instructor qualifications, reception staff friendliness and equipment variety.

**Coding Procedure**

Coding is generally undertaken in three stages. The stages are open, axial and selective. These three coding methods are not different, but sequential and interrelated. Each is built upon the previous. In this way, the lines between each type of coding are artificial. Thus, in a session of coding, it is possible to move between one form of coding and another. The reason for this, is that during the third or final stage of coding, there are always some concepts that remain
undeveloped and ambiguous. At the same time, during the first stage of coding, some concepts will naturally progress to the more developed stages achieved later. For the purposes of market research, to simplify the process, we recommend coding in two, rather than three stages.

The first stage of coding involves breaking down, examining, comparing, conceptualizing, and categorizing data. Interview transcripts should be studied with the objective of assigning a code or label to every relevant piece of information. In this initial phase, the categories are broad and inclusive, rather than specific and selective. Note that in Table 3, below, despite the broad range of issues that arise, only one code category is assigned to the piece of information collected from our hypothetical gym research project.

**Table 3: Stage 1 coding**

<table>
<thead>
<tr>
<th>Sample category: Male, 20-35, Fitness focus, Interview transcript</th>
<th>Code category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actually I find the gym staff quite helpful and friendly. Most of the time they're quite prepared to help out whatever you're doing. Although sometimes I get a bit annoyed when they're just chatting away to each other. It's like they don't even realize that they're at work and should be looking for ways to help. Even if they were just cleaning up or something. I often end up kicking a dumbbell or some piece of equipment that's been left around. I know we're not supposed to leave them around, but people do, so someone's got to put them back, or else sooner or later someone's going to trip over and really hurt themselves one day. But if you ask them for help with something, whether it's just advice or help in adjusting equipment or something like that, they're great. Happy to help.</td>
<td>GYM STAFF</td>
</tr>
</tbody>
</table>

The purpose of this initial coding stage is to reduce the data into a more condensed form, allowing broad, but definitive categories to emerge. Once particular phenomena are identified in the data, concepts are grouped around them. This is done in order to further reduce the volume of data. Thus, codes break the data into more manageable chunks, or preliminary concepts, ready for subsequent and more precise reduction in the second stage. Thus, the coding process moves in descending order, always combining and reducing data. It is helpful at this point to restrict the number of codes to no more than ten, and once applied, should be removed by category and placed in separate computer files.
Table 4: Stage 2 coding

<table>
<thead>
<tr>
<th>&quot;Gym Staff&quot;</th>
<th>Sub-code category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actually I find the gym staff quite helpful and friendly.</td>
<td>Positive service</td>
</tr>
<tr>
<td>Most of the time they're quite prepared to help out whatever you're doing.</td>
<td>Positive service</td>
</tr>
<tr>
<td>Although sometimes I get a bit annoyed when they're just chatting away to</td>
<td>Negative Service</td>
</tr>
<tr>
<td>each other. It's like they don't even realise that they're at work and</td>
<td></td>
</tr>
<tr>
<td>should be looking for ways to help.</td>
<td></td>
</tr>
<tr>
<td>Even if they were just cleaning up or something.</td>
<td>Suggestive service</td>
</tr>
<tr>
<td>I often end up kicking a dumbbell or some piece of equipment that's been</td>
<td>(Removed and place in</td>
</tr>
<tr>
<td>left around.</td>
<td>code category &quot;SAFETY&quot;)</td>
</tr>
<tr>
<td>I know we're not supposed to leave them around, but people do, so someone's</td>
<td>(Removed and place in</td>
</tr>
<tr>
<td>has to put them back, or else sooner or later someone's going to trip over</td>
<td>code category &quot;SAFETY&quot;)</td>
</tr>
<tr>
<td>and really hurt themselves one day.</td>
<td></td>
</tr>
<tr>
<td>But if you ask them for help with something, whether it's just advice or</td>
<td>Positive service</td>
</tr>
<tr>
<td>help in adjusting equipment or something like that, they're great. Happy</td>
<td></td>
</tr>
<tr>
<td>to help.</td>
<td></td>
</tr>
</tbody>
</table>

Table 4 highlights three sub-codes that help break down the volume of information initially obtained from the interview. Note that two sections of the transcript were removed and sent to another category. As before, all common sub-codes should be removed as well and placed within a separate file. Each sub-category subsequently informs the marketer about the results of the research. For instance, if the information from this example were consistent with results from interviews with customers representing other sampling categories, then we have some clear feedback concerning the service quality provided by gymnasium staff. If however, the results from each sampling category are different, there may be justification for undertaking further analysis.

**Generalisability and Validity**

The fact that qualitative market research is typically conducted on a small number of selected participants is troublesome for ensuring the generalisability of findings. This is exacerbated by the arduous nature of data collection and analysis that limits the quantity of practical activities that can be undertaken within a short time period. Naturally, qualitative market research data is not strictly generalisable, but does, of course, provide depth of insight that cannot be achieved by
statistical procedures. The limited generalisability, therefore, may be considered a legitimate price to pay for a corresponding improvement in depth and quality. However, the goal in qualitative market research is to understand reality and reveal underlying meanings and values. The inductive nature of qualitative market research allows researchers to gain a greater appreciation of the manner in which respondent does perceive the problem in question. The outcome for the researcher is a comprehensive idea of how the respondent perceives the issue, which in turn should allow the researcher to generalize these understandings to other respondents who share similar characteristics.

Qualitative market research's claim of validity can sometimes is a contentious issue. Validity is the degree to which a method or procedure actually measures that which it purports to measure. In qualitative research, validity is based in the relationship between the researcher and the respondent. According to Mariampolski, it is the researcher's capacity to probe, challenge and seek truthful responses that allows qualitative approaches to yield insightful results.

In qualitative market research, validity is measured in two major ways. The first is known as face validity, which refers to the extent to which results appear valid. Qualitative market research results tend to have high face validity, which is an outcome of the believability of the comments from participants. The other type of validity is known as convergent validity. It measures the degree to which results are confirmed by future behaviors, experiences and events. Both face and convergent validity are strengthened when the data is based on deep responses from a variety of respondents that range from the normal to the eccentric. In other words, the responses are genuine and authentic.

**Credibility, Dependability and Conformability**

One of the strengths of qualitative research is its capacity to provide rich and evocative stories. At the same time, these stories may contain a variety of meanings, and are therefore subject to multiple interpretations. The problem of interpretation can be compounded by researcher bias. This begs the question as to which interpretation is the more credible and dependable. A number of strategies can be used to improve the credibility of the results, and confirm the findings. First the researcher should always give appropriate space to respondents who, while on the surface,
may be excessively different, may also provide especially insightful views. These extreme cases can provide a counter-balance to the researcher's pre-dispositions, and challenge the views of the more conservative respondents. Second, the researcher should aim to triangulate the data. This involves obtaining data from more than one source, and using more than method to get it. Take for example, the gymnasium case we referred to previously. An employee interview may provide a passionate statement about the importance intensive activity, but it would be prudent to seek confirmation from a sample of users, and some quantitative data on gym usage rates.

**Typologising for Segmentation**

Typologising is a method that researchers commonly use to understand phenomena more completely by grouping ideas and then forming ideal types. In other words, it is a method of making sense of complex or abstract ideas. Summarizing the data contained in each sampling category generates these ideal types. Ideal types are so termed because they do not exist in reality, but instead are intellectual constructs that represent reality for the purpose of understanding reality. While the purpose of typology construction, like all analysis procedures in qualitative research, is to clarify and summaries large volumes of data, is also has the added benefit of signaling potential market segmentation strategies. An example from our gym research appears below. Again, it highlights the strength of our theoretical sampling model, which provides the foundation for the typologies.

**Table 5: Gymnasium customers' perception of service quality**

<table>
<thead>
<tr>
<th>HARD-CORE</th>
<th>HEALTH-CONSCIOUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Mainly men 18-35</td>
<td></td>
</tr>
<tr>
<td>• Interested in arduous physical training</td>
<td></td>
</tr>
<tr>
<td>• Principal concerns: quality and quantity of equipment</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Males and females mainly 35 +</td>
</tr>
<tr>
<td></td>
<td>• Interested in bolstering health via exercise</td>
</tr>
<tr>
<td></td>
<td>• Principal concerns: safety and variety</td>
</tr>
<tr>
<td>FAT-BUSTERS</td>
<td>SOCIALITES</td>
</tr>
<tr>
<td>• Mainly females 30 +</td>
<td></td>
</tr>
<tr>
<td>• Interested in decreasing body fat</td>
<td></td>
</tr>
<tr>
<td>• Principal concerns: qualified instruction</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Males and females mainly 25-35</td>
</tr>
<tr>
<td></td>
<td>• Interested in enjoying exercise with company</td>
</tr>
<tr>
<td></td>
<td>• Principal concerns: staff friendliness, auxiliary services</td>
</tr>
</tbody>
</table>
Limitations of Qualitative Market Research

In any research it is necessary to acknowledge the limitations intrinsic to the system of data collection and analysis used. Firstly, it is clear the great strength of qualitative strategies is their usefulness in uncovering deep responses. The corollary of this strength, however, is that qualitative research is severely limited in its ability to ensure a broad coverage of responses. In other words, only small segments of the population can be used in the sample. Subsequently, qualitative data does not lend itself to statistical manipulation. As a result, data obtained from qualitative sources are subject to lengthy analysis and discussion, but are rarely statistically representative in any way. The data is statistically reliable, and cannot be summarized in numerical form alone.

Another consequence of this style of market research is the relative importance of sample selection. As there are comparatively few respondents, they must be chosen carefully. Theoretical sampling will usually provide a good cross section of the population or market being studied. It will therefore extract an appropriately broad range of information from the research question. The risk of working with unrepresentative and seriously biased samples will be minimized by good theoretical sampling design.

All market research has cost limitations. It can be time-consuming and resource-intensive to conduct in-depth interviews or focus groups just as it is to develop a generic questionnaire, mail it and feed the results into statistical software. Qualitative research and analysis has three principal phases, each of which will incur a cost upon an organization. The first phase is planning and background research. While this step can vary considerably in scope, it does not necessarily have to incur any physical expenditure, but will require time. The second phase is data collection. Again, despite the time-consuming nature of the data gathering tools used in qualitative research such as in-depth interviews, there are few cost burdens. Typically, a mini-cassette recorder and tapes are the only equipment required. Finally, qualitative research involves an analysis phase. Assuming interviews have been transcribed, it may take between four and five hours to code the results of one hour of data. Additional costs associated with qualitative market research techniques may include travel expenses, phone costs and tapes / batteries. In general,
qualitative techniques are time-consuming, but lack the need for expensive software or equipment.

Table 6: Selecting the right market research approach

<table>
<thead>
<tr>
<th>OBJECTIVE</th>
<th>BEST APPROACH</th>
<th>SACRIFICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SPEED</td>
<td>Telemarketing questionnaire</td>
<td>COST &amp; DEPTH</td>
</tr>
<tr>
<td>DETAIL</td>
<td>Interviews: Focus groups or theoretical sampling</td>
<td>BREADTH &amp; TIME</td>
</tr>
<tr>
<td>BREADTH</td>
<td>Mail out detailed questionnaire</td>
<td>COST &amp; TIME</td>
</tr>
<tr>
<td>LOW COST</td>
<td>Suggestion boxes / complaint analysis / interviews</td>
<td>TIME &amp; BREADTH</td>
</tr>
<tr>
<td>ACCURACY</td>
<td>Theoretical sampling combined with mail out detailed questionnaires</td>
<td>TIME &amp; COST</td>
</tr>
<tr>
<td>CONVENIENCE</td>
<td>Nothing is convenient</td>
<td>EVERYTHING</td>
</tr>
<tr>
<td>VERSATATLITY</td>
<td>Interviews: Theoretical sampling or focus groups</td>
<td>BREADTH &amp; TIME</td>
</tr>
<tr>
<td>LOW EXPERTISE</td>
<td>Suggestion boxes &amp; complaint analysis</td>
<td>BREADTH &amp; DEPTH</td>
</tr>
<tr>
<td>VALUE FOR LITTLE OR NO</td>
<td>Theoretical sampling</td>
<td>BREADTH &amp; TIME</td>
</tr>
<tr>
<td>MONETARY INVESTMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>VALUE FOR MONEY</td>
<td>Telemarketing questionnaire</td>
<td>COST &amp; DEPTH</td>
</tr>
</tbody>
</table>

It is also worth noting the challenges and pitfalls that qualitative market researchers may encounter. The first typical revolves around the acceptance of qualitative techniques in a research climate that is accustomed to statistical procedures. The principle objection is one of generalisability. However, as we noted earlier in this paper, qualitative market research is not designed for broad generalization, but for in-depth insight into the ways in which participants understand the issues under consideration.

The second challenge is that data are more difficult to collect and analyze than conventional quantitative approaches. It requires skill to adequately tease out the appropriate information from respondents and considerable experience to analyze the subsequent data systematically. In addition, the end product is not necessarily as easily digestible or as concrete as a simple numerical solution.
Conclusion
Qualitative market research can provide pivotal information about the values, beliefs and behaviors of sport consumers. We examined the principles of qualitative market research techniques, and explained how effective sampling procedures can be put in place. We also demonstrated the process for analyzing and interpreting qualitative data. An integrated approach to qualitative research will consequently generate a rich source of market information that goes beyond a summary of bias and dislike. Its great strength is that it not only teases out the underlying motivations and needs of customers, but also allows the researcher to establish a valuable typology of sport customer responses and behaviors.

References


30. usable typology of sport customer responses and behaviors.

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