

Strategic Marketing-Contemporary Issues
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Lecture - 35

So, we are now going to discuss actual formulation of marketing strategy taking the example of a real Indian company and the way they have formulated their marketing strategy and have achieved remarkable success over the last three years. In the process we are going to discuss how to do market research, that helps us to develop the strategy, how we implement that strategy and how we actually look at that strategy with real-time feedback from the marketplace and when that strategy does not work for some reason how do we recalibrate that strategy, how do we recreate a new strategy.

So, original structuring of the market research, getting feedback from the market as the market strategy is being rolled out, reformulating certain parts and in this particular case we will look at one of the piece of the marketing mix, which is place, that means, where we look at distribution channels to the market and how that plays an important part in the marketing strategy deployment and how we can understand that through our research process.

The company that we will look at will be a very interesting company. In fact, it is almost 60 years old, the name of the company is TTK, right. Are you familiar with the TTK activities? No, you have never heard of TTK?

Student: (())

Right? So, you see, we, this is the discussion, that we had in case of brand. So, the group or the corporate brand is not so well known, but the product brand, which is Prestige, right, that is pretty well-known. Similarly, they are also, what other businesses there are in you know?

Student: (())

TTK, besides Prestige, which is famous for what?

Student: (())

Pressure-cooker, but what else do they do?

Student: (())

So, they make, in fact, they are, I think, possibly the largest or one of the top three publishers of maps in India. Almost all the maps, that you get in various formats, they actually come from... Similarly, they are, I think, the number one manufacturer or number two manufacturer of condoms, they make various kinds of underwear and so many other products, but in each case their strategy is focused on the product brand of the category brand rather than the corporate brand. Of course, we are sitting here in Northern India in Kanpur, but in south, TTK is a famous corporate name as well because it is named after T T Krishnamachary, you know, who was one of the ministers in our first cabinet.

But anyway, the reason why this is a great example of marketing research, market strategy, the dynamic reformulation of strategy is that this company, which is almost 60 years old, I am talking about the pressure cooker part, the Prestige part, right. So, in 2000, as it is given, what is it given in this case, can you read to the third paragraph please?

Student: A decade ago the company's reserve and surplus was very low and it was on the verge of knocking on the doors of the board for industrial and financial reconstruction. We went through a bad patch in 2001 and 2. TTK prestige was seen as a single product company, aluminium cookers, there too excise and scales made of 45 percent of the retail price. Moreover, the customers were moving from branded to unbranded product, says T. T. Jagannathan, the chairman of the 2000 crore TTK company, which apart from kitchen appliances sells everything, from inner wear to condom, from deodorants to life saving heart valves.

So, what we see here is, that this is a company, which in 2001 and 2002 was almost going bankrupt, right, and then they did something. What did they do? Prashant, can you read the next paragraph?

Student: Prestige realised, that it had to come up with new products while the Prestige brand, the name under which it sells its cooker, had a strong and loyal customer base. Its

other kitchen appliance lag brands such as Bajaj Electricals, Philips, Kenstar and Morphy Richards.

The next paragraph...

Student: The first new product was launched in 2003, 2004, a smart pressure cooker, which had features such as quick steam release and a better safety mechanism, but it bombed in the market. We had pushed...

What does it mean bombed in the market?

Student: failed

It failed completely, right, and then what, what? Please read on.

Student: We have pushed three lakhs of them, but they did not sell for multiple reasons. We have to take most of the stock from dealers, but in a year when we were selling a near million cookers...

So, that means, that they were selling about ten lakh cookers and with that 30 percent of that, three hundred thousand cookers they had to actually take back. So, it was a huge setback, right. So, then what and what is it that is saying, what is the reason? Next sentence...

Student: TTK prestige distribution network was mainly based in (()) utensils shops, which did not sell electrical appliances. Learning from such earlier foray, TTK, then set up their owned and franchised exclusive showroom cum sales cum demonstration outlets.

Good, an interesting thing is that in the recent times, this, the, the stock price of TTK, this kitchenware part, the stock price has almost got quadrupled means, it has grown by 370 percent almost and the reason is, that in 2000, you know, we were looking at 2001, 02, when they were almost going, bank, bankrupt, right. We have then seen this situation in 2003, 04, when they launched this smart pressure cooker, which failed. Coming from there, of course, the case further goes on to describe a, a, a new initiative, which we are going to discuss as of now. But if you look at the current situation, then in 2008, 09,

there turnover was 400 cores and that has come up from something like, what was there turnover in 2000 earlier? It was in the range of about...

Student: (())

That is coming now, but right now if we look at the last three years, in 2009 its turnover was about 400 cores; its net profit was about 22 cores. And 2011, 12, that means, the financial year, which just closed, its turnover was about, just for this kitchen section, was 1100, 1100 cores, to be exact 111103, and its net profit has jumped almost 500 percent, from 22 cores it has come to about 113 cores, right.

So, obviously, as we have discussed many times, that the purpose of marketing strategy is to, what is the purpose of marketing strategy?

Student: (())

What is the purpose of marketing?

Student: (())

Or simply put, the purpose of marketing strategy is to grow the top line and to grow the bottom line, right, while keeping the balance of interest among all the stake holders, or looking at that we have discussed, that not only one bottom line, but we have to look at that three bottom lines.

What are the three bottom lines concept? What is the, what are the other, besides profit we have to also look at people and planet, right. This we discussed when we were discussing ethics in marketing, the concept of triple bottom line. But primarily, therefore, the purpose of marketing strategy is to grow the top line and the bottom line and in this case we see the TTK has admirably succeeded in doing that, right. They have grown their profit 5 times, they have grown there top line 3 times, right.

So, what is it that, what was their problem in terms of marketing in 2001 and 02? What did they do to correct that in 2003 and 04? What was their mistake in 2003 and 04 and what have they done after that? Can I get answer to these three questions? So, start with 2001 and 02, what was wrong at that time?

Student: Because they were continuously from past seven years making the same product without realizing, that there is need for innovation or some changes according to the needs of the customer.

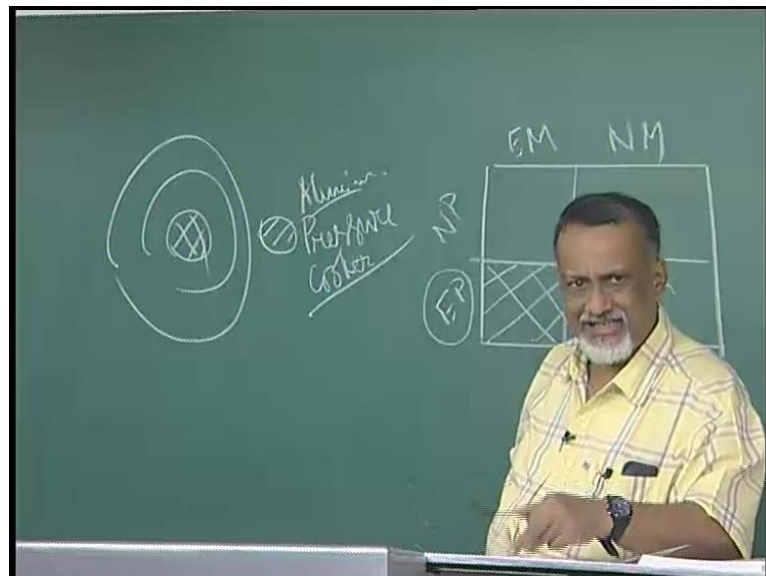
Right, so what, so that if you have to describe, therefore summarise the key problem, it was...

Student: that lack of innovation

Even before that...

Student: (())

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So, if we do not have, if we do not come up with new products, then what is the problem? We can simply look at our original concept of (()) matrix. So, if you have an existing product, new product, existing market and new market matrix, then existing product in existing market, after some time it gets saturated, right.

An important issue here is, we have already discussed this before, that when we define what is a product, then already we know, that it is very important that not to have a myopic vision. We discussed about that famous article of marketing myopia by Ted Levitt, you know? If you have not read it as yet, you must read it. It is available on the internet, free for download, marketing myopia, right. What is the meaning of myopia?

Student: Short- sightedness

Which is the problem of short- sightedness?

Student: If you are looking at your immediate profits out of the customers.

I mean, in general myopia means, that actually I am, I only have mere vision, right. So, myopia fundamentally means that when I think of a product and I am myopic, either, I am actually, like in this case, we are only doing pressure-cooker right and we are doing the simple aluminium pressure cooker. I mean, you are all familiar with what that aluminium pressure cooker, what it looks like, right, and that is, so one way of being myopic is to think in terms of one product, like maybe, you know, small, medium, large, three sizes and that is right. What are the other ways we can become myopic about products?

Student: Sir, targeting only a particular segment of people, not considering a large segment.

And which means, remember that we talked about, that every product has a core proposition. So, what is the core proposition of a pressure cooker?

Student: to cook fast

Cooking under pressure, so it is fundamentally a cooking product and it is actually because of that concept, right. They are selling the pressure cooker through what channel?

Student: through local vendors

Through (()), everything is, means, they were just selling it through utensil shops. That means the same place where you could get pots and pans. So, they were selling it as another sort of pots and pans. What it means, that myopia is, that we are only looking at the core value proposition; remembering that our onion diagram, right.

We are not looking at various other possibilities that mean, all the affective behavioural cues beyond the cognitive cues, right. So, rational definition is that it is a cooking vessel, but if we look at the emotional and other relational possibilities then it is it can go

beyond and can add other layers to it which can actually make this, this saturation issue, it can, it can meet this particular challenge.

So, what we are saying is that myopic about a product or saturation about a product market situation can occur either if we define the product, as she rightly said, for a very particular purpose or a very particular type of customer segment, define by demographic classification or whatever. The other way we can be myopic is that if we think of a product just for the, in terms of its basic function, which in this case is just as a cooking vessel, right. Now, obviously, if this is saturated then what are the different possibilities one possibility is i can go to a new market and a hint towards that is given in this what is given that in this case?

Student: Sir new market they, they came up with this happening design (())

Student: Kitchens, kitchens are no more (()), they represent a lifestyle

Yeah, actually, that is, what is that? So, looking at that issue please read that paragraph, that particular paragraph, that, but new challenges are emerging rapidly...

Student: The (()) business strategic consulting guru, Harish (()), CEO of Harish (()) consultants said, kitchens are no more a (()). They represent the lifestyle, they represent the lifestyle statements. In upwardly mobile young families, even men now share kitchen choice and participate to cook.

Very good, so which means, that they are they are saying, that you know, a pressure cooker is not just a cooking vessel, it can become a lifestyle product because the kitchen, you know, which is, just go in there, it is a hot-humid place, I mean, just somehow finish the cooking and come out, right.

We had a similar approach even to the bathrooms, right, that the bathroom is just a place where you go for some natural functions and you finish it and come out of it as quickly as possible. But today, if you see TV ads, you see what is happening in, all kinds of bathroom products are being advertised heavily and remember, how much it cost, we discussed it before. So, what is happening, why are we, what kind of, what is, what is the core message of those ads that you see on TV today for bathroom taps, bathroom fittings, bathroom tiles, bath tubs? Have you seen all those ads?

Student: Projecting a better life style.

So, projecting, that the bathroom is as much a part of your life, as nice a part of your life as the drawing room, as the bedroom and so on and so forth, right, and the same thing goes for the kitchen. So, looking at that, they therefore, try to redefine the market itself.

So, it is a very interesting point here that usually, this existing product in a new market we think in terms of and which is also true in case of TTK, that they are primarily known as a south Indian brand, right. So, if they want to now make a major thrust in north India, then that is one way of coming from the existing product into a new market. This is geographical expansion; geographical expansion.

But there can be another kind of marketing plan, which is what we were discussing just now, that redefine the context of the product. This is where actually a big role is played by designers usually, right. The designers, the fashionists, the, the packaging gurus, they play a major part. That means, you redefine the product to equate it with the lifestyle that mean, these, as, it can be as aesthetically pleasing as a colourful bed cover or furniture, which has been the domain of designers and interior architects and so on. Now, you can think in the same way about a simple thing like a pressure cooker and that is what they did. What, what, what was the nature of this particular product?

Student: It has visual pressure indicators

No, before that what was the main thing that they did with this? What was this smart pressure-cooker?

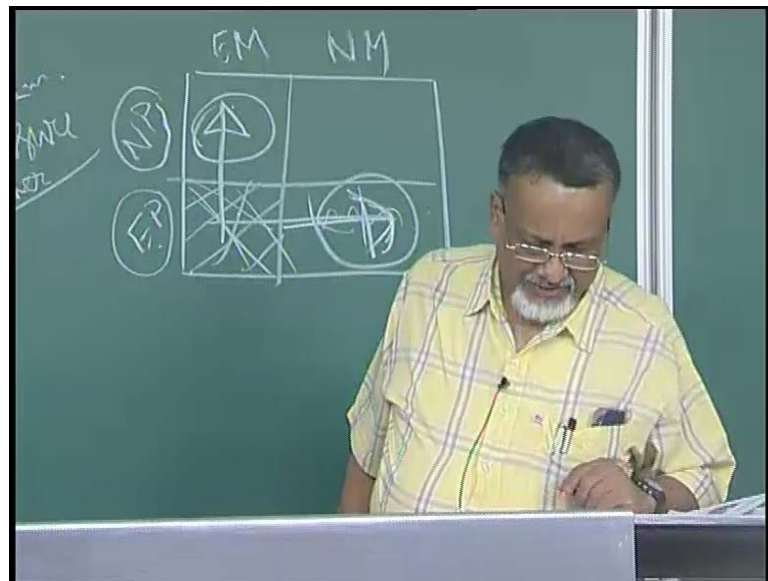
Student: brightly-coloured

Brightly-coloured, you can see, that they are actually apple shaped, they are trying to equate it with a stylish, colourful, modern day, 21st century product, you understand that? So, please read, can you read that paragraph there?

Student: On a single product TTK Prestige today sells over 350 products and aims to get 80 percent of its projected 1200 crores revenue from this year from launches in the past five years (()).

This is actually looking at, we are looking at another opportunity at, that it shows, that if this market is saturated, there are two directions, which we have to first explore, one is that we take new products to the existing market, that is what you read out just now, that from that single pressure-cooker or cooking vessel, first they try to redefine the cooking vessel itself, they added colour and that and that, but it did not succeed. We will just now analyze why it did not succeed.

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But they also, they are now doing great because they have taken another approach. So, there are these two arrows, one is this arrow, that means, take the existing product to a new market, right, and take new product to the existing market. So, these are the two strategic planning and the dos and do not's of these two strategies is what we are discussing in this particular case. Now, what happened in, why that smart pressure cooker did not do well? What is the last two sentences there?

TTK prestigious distribution network was mainly based on - patrakadai utensil shops which did not sell electrical appliances learning from such earlier forays TTK then set up their own and franchised exclusive showroom cum sales cum demonstration outlets.

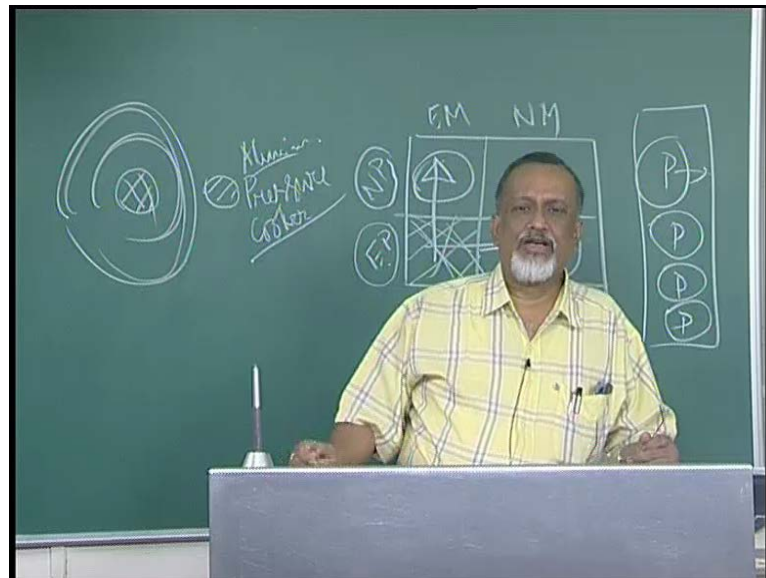
What is the, more, what are the two, three key lessons here?

Student: (())

Yes

Student: (()) the customers had the, had the perception, that in these kind of shops only the utensils will be available. But then, it had more smart functions, which were not expected by the customers, so did not ask for that from those shops. So, they better thought to have some exclusive outlets for the purpose.

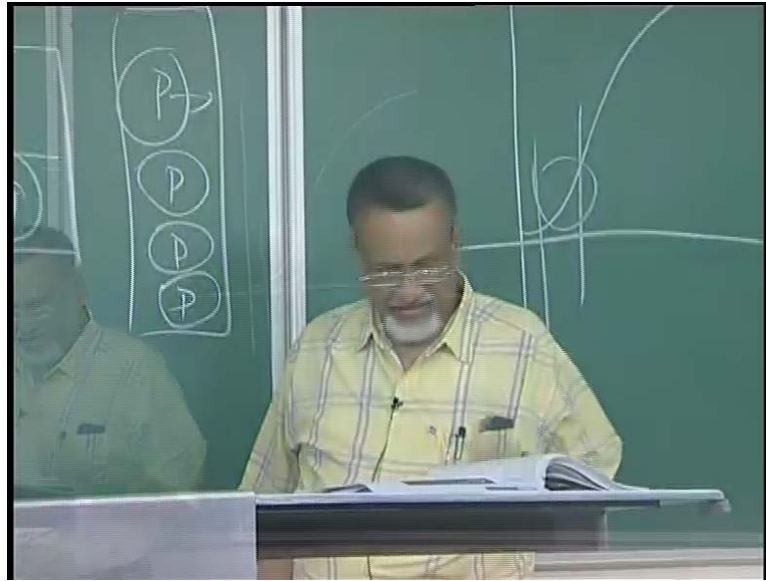
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Right, so the key point, the first thing, that we, we learn from this is, that if you play with one P in the marketing mix, right, what was the play? They were actually playing with the product itself. They enhanced the product by adding layers on top of the core product, but the key point here is, that if you recalibrate one part of the marketing mix, it is very important to remember, that it is actually a system, so if you play with one P, then immediately we have look at all the other Ps.

And this, in this case, the smart pressure cooker failed because the product was enhanced, but the place, the distribution channel was not capable of handling. Why were they were not capable of handling? They were just selling ordinary vessels, right. They, possibly, did not have even an outlet to show an electrical function, they did not have trained people. That is why the very important part of this sentence is exclusive showroom cum sales cum demonstration outlet, right.

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Remember we discussed, that in the product life cycle when we, at this stage we compete, on what basis what is our main competing strategy here? Features, differentiation; that means, we are talking about something new in the product. So, we were, earlier all the time we were thinking of a pressure cooker is actually a vessel, which we, you put on, you know, on fire and it builds up steam, but in that smart pressure cooker there was an option of electrical pressure-cooker, right.

This apple range, which is now very successful and in fact, I was, I was just looking at their website, that the apple cooker actually has almost 40 percent higher price compared to the ordinary pressure cooker, right. So, therefore, there margin, obviously, is far superior. But if you want to do feature-based marketing it is important, that your channel is capable of promoting, that it has the facilities to promote those features, you understand. So, therefore, the moment we add layers we have to understand, that we need to add layers here as well. We have to add new capabilities to the distribution channel if you are adding new capabilities to the product itself. Clear, ok.

The next lesson, that we have here is, that if we want to do feature based marketing strategy, if you want to use it, then this P, which is called promotion, is often education. Education for whom?

Student: (())

...and partners and your own sales people. So, at this stage, when it is feature based, the word promotion maybe better replaced by demonstration and education. Education of your own people first because your own sales people, service people, they must be capable of bringing out the highlights of that product, establishing the highlights of that product where it is actually being used.

The next layer is to be able to educate, train your channel partners. If these two are successful, then your customers can be educated, then with the new way of using the product or the best way of using the product, I mean, if you make an electric pressure cooker, just to give a simple example, and people just still put it onto the fire, then possibly it will work, but it is actually not utilizing some of its major functions, right.

The other interesting lesson in this, you know, just in these two sentences is that when you take this new step, that means, you are going from patrakadai. Why did they set in, set up their own exclusive showroom? Because it already says here, previous this thing, why the prestige brand had a strong and loyal customer base? Its other kitchen appliances lacked brand such as Bajaj Electricals, Phillips, Kenstar and Morphy Richards. What do we and, and then, if we combine this sentence with this sentence, that TTK then set up their owned and franchised exclusive showroom cum sales cum demonstration centres, what do we learn from that?

Student: There were many products and which were not, the other products brand were not as visible as the prestige one. So, having their own exclusive sales where it has the other kitchen appliances brand value as well which will lead to a sales.

Good point. Also, an important point is that when you are making this strategic move, right, you are actually making, trying to get into a new market. You, you, you had this pressure cooker; you are now repositioning the product as a lifestyle product, as modern product, as an electrical appliance. For a cooking vessel you are now looking at an electrical appliance or some form of advance appliance, right. So, you are almost moving from a staple or a convenience product to a shopping product.

Now, once you want to do that, there are already entranced players there. These are the players, Philips, Kenstar, Bajaj and so on, and those players have already locked in the channels. So, all these companies, they have their agreements with their distributors, so they will block those distributors, will not be able to take up in some cases a product

from TTK. Possibly, there are only two alternatives there, what are the two alternatives? That if you are, if you find, that you cannot get those distributors, so actually market electrical appliances or consumer durables, then what are the two options to you? Either you set up your own, that is what they have done. What is the other alternative they can do?

Student: (())

That is also they have done, what are the other alternatives?

Student: to give them higher (())

Very good, that means, to break into that you can either use some kind of economic incentive. This is what many new product marketers do. They offer higher commissions to the distributor, then the distributors themselves will fight with their current principles and say, I want to also sell this. Sometimes they even set up a separate shop to cater to this new promising area. But they will do that not only if you offer higher discount, they will also see, you remember we discussed about this push and pull, right, until and unless they are confident, that there will be a pull from the customer, they will be reluctant to push, you understand. And sometimes the electrical appliance people may feel not so confident, that ok, here is this guy who has been making for 50 years utensils and now that fellow is saying, that he will market appliance. So, they may not be convinced. In that situation you have only one opportunity, which is to set up your own.

So, the key lesson, therefore, is that if you tinker with one of the marketing mix elements, remember it is a system, so you must, maybe it is not necessary to change, but you may have to change. So, you must look at all the marketing mix elements to understand, that if I am adding a layer here what other layers I need to add here.

The other lesson is that the marketing strategy for a pressure cooker for the ordinary type is here. So, this is actually, the, the strategy has already shifted, we have discussed, from feature based you are looking at cost based. So, if a cost based marketer if now has to suddenly assume a featured based marketing strategy, right, then it is necessary to rethink about your marketing.

And the third point we learnt is that if you make a strategic move do not expect, that you will get an open field to progress. You may be blocked by the current entrenched players and therefore, you will need to adopt an alternative strategy and that is what TTK did.

Now, what is the next thing? So, they first tried with this colourful smart pressure cooker with better safety mechanism and quick steam release and so on and we, it did not succeed. This case talks about their next attempt. Can you read the first paragraph please, the very first paragraph?

Student: You will think it is difficult to innovate something as mundane as a pressure cooker, but challenged by new appliances that not only look better, but also cook faster, the 56 year old company TTK prestige has picked up the (()). It has come out with microwave pressure cooker Microchef 1 litre.

Good, so what is, what is it that they have done? Now, first they started with smart pressure cooker, which was an incremental improvement. It basically, maybe, added electrical connection, so that you could cook without gas fire or other this thing with an electrical power input. It made it colourful; it made it a new shape and so on. So, this layers, that they added, that means, to the core product, they were an incremental, they were like change in packaging and change in some options and it did not succeed, it did not succeed. Of course, one clear reason was that the channel was not ready or the channel was not proper, but the product itself was also not offering something, which was beyond thus cosmetic.

So, it tells us, that the cognitive factors or the rational factors, right, in a product, particularly if that product is a utilitarian product, because what is the purpose of the pressure cooker? To cook faster, right. The difference between a pressure cooker and a normal vessel cooking vessel is that it using the simple concept of higher pressure, which is built up by the steam that comes out from the cooking fluid itself. You actually cook faster. So, the value proposition is utilitarian. To that utilitarian value proposition, in their first attempt what they did? They added some cosmetic improvements, which means, those were actually not any cognitive benefit, but it was an affective benefit. Are you clear?

And possibly, they then realised, that that is not good enough, that is not really expanding the market, it is not actually being considered really as a new product. Are

you with me? So, they said, that let us look at it again and that is what if you see, read the last paragraph. Can you read the last paragraph?

Student: The Microchef microwave cooker is the result of continuous feedback on a need to reduce the cooking time. It took us 12 to 18 months to launch the finished product as we worked on things like visual pressure indicator and a second safety device, says the company president. Microchef is expected to rapidly increase sales among the 5 million pressure cookers TTK Prestige sells annually.

Market share, so if you combine now the issue of, raised in the first paragraph and issue raised in the last paragraph and if we combine the, the two inputs, what is it that we understand? Can we get some response from here? If we combine the first paragraph and the last paragraph what do we understand?

Student: Sir, not only the inclusion of functional features, but the features, which are relevant to the current scenario, like maybe fast cooking is there, considered those aspects to increase its market presence among the contemporary users who are, who also use the microwave.

Yes, you are on the right track

Student: Who also use the, of the modern contemporary population who also use the microwaves and expect the cooking time to reduce because they are busy working professionals mostly. So it has shifted its product line keeping that in mind, so that it is not only functional but also...

Very good, so it therefore, instead of you doing cosmetic improvement, they went back and said, let us look at what is the core utility that we are offering. We are offering faster cook, but then they said ok, two three things are happening, one is that which we read just now, that kitchens are no more a hot hole, they represent lifestyle statement. In the modern apartments the kitchen is also, in many places actually they have the open kitchen. The kitchen is actually quite visible from the place where use you sit, the drawing room, the dining room, they are all in a kind of an integrated place. So, it cannot be that kind of old style kitchen, which can, could be tucked away elsewhere. So, it has it has, it demands the same kind of aesthetic architectural interior decoration. finesse as the other part of the building.

The other interesting point that you have read out before, that in upwardly mobile young families even, what is written there?

Student: Even men share the (())

Right, so you are looking at a higher level of man-machine interface, a better user interface because why are they mentioning men even, why are we using this word even men share? What, what does it mean for us as marketing strategist?

Student: It has to be more user-friendly.

Because they are dumb cooks, because they are not used to cook, they are, maybe, just you know, they have been eating at home and now they are certainly an independent bachelor professional, they have to find the easiest way to cook. They are busy professional, so they have to find the fastest way to cook. And we already know from our design strategy, when we can, we do design thinking, then what is one of the things that the designers do is to set up mood boards. What are mood boards? What do you do on a mood board?

Student: Mainly jotting down the ideas like how we will proceed.

No, what do you have normally on a mood board? So, you, you try to look at the persona, right. You try to look at who is this person. So, you actually take number of persons. So, in this class, therefore, it is easy to find such persona because you are basically looking at people like you and in the, on the mood board what we normally do is, once we have, this is actually nothing but a way of segmenting your target. This is a much better segmentation. That means, once we try to define that who is this person. So, if you try to therefore, look at yourself or if you look at your neighbour, look at your classmates, look at your hallmates, right, then you know, ok, this is how that person ticks. And the other thing we do at that design thinking is we try to look at, that this person, what are the other products that person uses, what are the other products, right. So, if you look here what are the other products you see? What are the products people have?

Student: Microwaves

You do not have microwave here.

Student: Phones and laptop

So, you have phones, you have laptops, you have, you know, spectacles from Fastrack and trendy places, you have trendy t-shirts, you have jeans, right. So, you are looking, this allows us to understand the entire, this is again a micro precision understanding of the segment, your target. So, design thinking applied to marketing thinking gives you a much better way of doing STP, the segmentation targeting and your product position, this is exactly what we see here.

Once they have understood the segment and the target market, using that kind of a designed approach they understood, that my positioning of the product has to go far beyond the simple cosmetic change, I have to bring out some major utilitarian proposition because it is a utilitarian product. This customer segment to whom I am targeting, to whom I am proposing this product, they are looking not only for a faster way to cook, they are looking for an easier way to cook. And there are more an easier way to cook because it is much easier to cook in a microwave than on a gas fire because you can actually burn your hand, you can do all kinds of stuff, right, because people are not very familiar with turning on the gas for the first times cooks, the kind of people there are, the male cooks they are looking at, whereas a microwave can be operated even by a child. They said, if we can bring a pressure cooker, that can be used in a microwave, then that will be a breakthrough.

Now, what is the problem in putting the pressure cooker, which they had made earlier or they have been making for 50 years, what is the problem in using that in the microwave?

Student: Aluminium

It is made of metal and your, you cannot put that in a microwave, right. So, what is the problem, therefore here? What is the challenge?

Student: (()), choice of material.

So, it is a material. Now, one can say, let us put, you know, wooden pressure cooker or a plastic pressure cooker. What is the problem there?

Student: (())

That itself might melt because the high temperature, that will build up and microwave has a way of creating a focus, that is why, if you see, when you cook in microwave, then the core gets heated faster because it actually creates focused heating proposition and therefore, it, there is a hotspot development, which if you are not correct, careful with your design, might actually melt the vessel itself. So, we need a material, which is not metallic yet it can withstand high temperature formation, can tackle hot spots by design itself so that the hot spots actually cannot, you know, be too concentrated.

What are the other challenges we are, we are looking at here? A pressure cooker inside a microwave, what are the other, other...

Student: Safety

What kind of safety?

Student: Release of steam that occurs in microwave, that is a...

That might cause a problem and the other important point is, that in a microwave have you noticed something, that when you look at the microwave what is the one of the interesting things you see?

Student: Rotating

And? You can see? What does it mean? There is a glass window, the visibility, why is the visibility provided?

Student: (())

It is also has safety reasons. Because this temperature control often, you know, setting, you may not be perfect, so it might boil over. So, you need to then quickly close it, stop it, that is why actually, that visible window is provided. So, the visual safety indicators are important here, that is what is mentioned here. So, what we have now is an understanding of the product design challenge.

We know that we have to come up with a product, which has to be a new material, not metallic. It has to withstand high temperature. The design has to be done in such a way, that it does not develop hot spots. We have to provide some visual safety measures and so on, all the other features of the product because this is not, at the point of writing this

case, this was the new product, but now the product is already in the market. So, you can now look at the website and do some search on the internet and you can find out all the features of this Microchef. What is its price, what it looks like, what are the different other products that are available, right, all that you can find out, what you have to do.

And in the next class, therefore, I would like in three groups at least three presentations, that once we have such a product, you have now already developed that product and you have already developed the product with some understanding of the people who will be the likely buyers. Who are the likely buyers? The upwardly mobile families, urban families, people who live in an apartment and they are, they want their kitchen to be part of their lifestyle. These are all your designed briefs already, these are already known about the product and the target, clear.

But as marketing strategist at this particular time when you have the product, maybe you already have two, three, four prototypes, you have already done some test marketing, shown it to some customers like Rishanth and they said, oh this is good, I can use it, I can, I can easily see how I will operate it. But is that enough as a marketing strategy formulation?

Student: (())

We have to find several things, all these other things. What are the other things?

Student: price, place...

Place also we know, that we have been, we, we, we know, that to market such advance products we need to go feature base marketing. So, we need to educate our own people, our partners and our customers, therefore we need some kind of demonstration, not only sales outlet. That is why it is mentioned here, right, showroom cum sales cum demonstration.

I discussed with you earlier the concept of Rogers, right, adaptation in the last class. There, I gave you one printout. Remember, when we did the quiz, please go back and look at that quiz paper, it state, that actually to launch a new product, that product must satisfy some core conditions. Remember those conditions? No, do not remember, right. So, you need to go back to that paper or see on the internet, that what are the new

product diffusion strategies. What increases, we actually did your quiz on that, but you are not able to remember it, better pull yourself together. So, go back and see what are those four factors, which accelerate diffusion of a new product, right, then you will understand why they have to, they had to set up showroom, sales and demonstration altogether.

What is the purpose of it? What is the meaning of showroom? What happens there?

Student: (())

You can go see the product. So, one of the things I want you to do is in the, this is one part of your presentation, that why it is necessary for us to set up showroom, sales and demonstration, all together. Why do they have this three words together, showroom cum sales room cum demonstration outlet and the clue will be given in Rogers. The other part you have to do. So, this will be only one slide, right.

And then, I need four slides more from each group, three groups, that what are the questions. We already know the product roughly, we know the customers roughly, we know the value proposition that we want to make. So, in STP we know the target, we have already segmented them, now we want to know all the aspects about positioning in that. Obviously, we need to know what price we will market it at, right; what kind of packaging it should have; the place is already described a little bit and what kind of promotion we will have to do now. Obviously, to know all these, to answer all these we have to do some research and that is market research, right. So, you will bring me four slides based on your study from chapter number 9, that what are the different ways I will approach this.

So, you will find that there are some quantitative aspect of the research and some qualitative aspect of the research. So, you will investigate what is the way to do qualitative market research and what is the way to do quantitative market research. This is the second slide, what are the different ways to do such research about the market on which I will we will base our marketing strategy. And in the next three slides you will bring me the questions that you are going to, what are your questions. You understand what are your questions?

Student: (())

What questions, what is your research? We know, that your research objects, what you have to find out, what are your research questions, what do you ask this, this customer, what will you ask them.

Student: (())

Yes, surveys, you will find that, that is just one way of doing it, right. This is what you will find out the survey, the interview, short questions, long questions, probing, observation, these are all these so called quantitative and qualitative approaches and whether you are taking the quantitative approach or qualitative approach, you have to ask questions. So, you have to show me, that your question here, what are the questions that you are going to ask.