

**Integrated Marketing Management**  
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**Lecture – 03**  
**Marketing in India**

Welcome to lecture 3.

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Marketing concept calls for ~~coordinated marketing~~ **Internal marketing**; External marketing  
 Coordinated marketing - i) among marketing fns - sales force, advtg, marketing res., etc  
 ii) with other depts.

Intl. marketing - hire, train, motivate employees to serve customers well

Correct view of  
Co. Orgn. Chart

Market focus, customer orientation, coordinated marketing, & Profitability - Form 4 pillars of Marketing Concept

Most companies turn to marketing. Concept when confronted with:

- 1) sales decline - scooters India
- 2) slow growth - failure to react
- 3) changing buying patterns - ex: HMT
- 4) Increasing Competition - ex: ITI
- 5) increasing market. expenditure - NEED TO RATIONALIZE marketing - ex: TEXTILES

Hurdles: 1) organized resistance. From other depts.  
 2) slow learning - ex: ITI  
 3) fast forgetting - know your target Market and know how to satisfy it.

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In the last class, we looked at the four pillars of the Marketing concept that is market focus, customer orientation, coordinated marketing and profitability. The question that exercises many minds is why Indian companies have not turned into marketing right from the time of independence. In order to find answers to these questions you have to look at when does a company turn towards marketing, that is, the marketing concept. It normally companies turned towards marketing concept when the sales decline.

There was a company called Scooters India and it use to come with based in Lucknow come with Pushpak scooters all those types of different models, it was supposed to be a competitor to Lambretta. Initially when it came it was a public sector unit it was thought that it will click in the market place, but did not. So, when it did not click in the market place this companies scooters India started looking or turning towards the marketing concept when its sales steadily declined.

So, you had a situation when the sales [is] declining and the company not reacting; this company, again another example, slow growth, failure to react, sales have declined, the company turns towards marketing. So, it should not be that you turn towards marketing when it becomes a fait accompli that is you lose all hopes. Similarly, if you look at HMT watches, a very strong buying brand made a mark in the Indian market, but in the 90s came a very strong competitor to HMT in the form of Titan. They projected watches as though it is not just something to see time or give you time, but something which you should be proud of wearing.

So, the marketing promotion of Titan caught HMT totally unawares. The result is the trusted loyal customer of HMT also started changing patterns of buying. So, you had a changing buying pattern even your trusted customer would not recommend your watch to his friends or kith and kin, but he would recommend Titan. So, this is a changing buying patterns when the company started looking at marketing very intensely again it was clock was ticking out for HMT, HMT did not was not able to cope with it is type of what do you call the market barrages which was put one after the other by Titan and HMT watches has now almost become extinct, a sad story.

Similarly, if you looked at ITI a very strong public sector in grant taking consider a giant telecom company and the first Indian public sector unit to be started, but it was given a knock in 1984 when the doors of the telecom sector was thrown open to competitor you had competition to ITI's telecom. So, the result was so long in a sheltered market ITI, it was unable to really cope up with this type of competition which was being offered by other players.

The sum and substance of all these examples tell you that it would be good for the Indian companies at least now whether it is a public sector or a private sector immaterial. To start practicing the marketing concept right from day 1, do not wait for things to go bad and then start looking at the marketing concept. It is no longer a seller's market in India whether it is a computer market or whether it is an electronics market or whether it is a consumer buying a durable markets everything is becoming a consumers market.

Consumer is having lot of choices and when he has lot of choices he can always take a decision which is most favorable to him whether it is with respect to product features, whether it is with respect to prices whichever is the one which you would like to

exercise. So, the result of all this is that the present day Indian market has become fiercely competitive and any company which enters this market right now it has to tune into marketing concept right from day one cannot wait for things to go bad and you cannot keep on complaining that the market expenditure has increased. You can start controlling the market expenditure when you when you look at marketing concept right from your inception. In other words, you can rationalize the marketing expenditure.

This was one of the problems which was faced by a state run company like the national textiles cooperation. The serious problem it faced was increasing market expenditures. When market expenditures started bloating up it was not able to really contain this expenditure the result is NTC buckled. So, any of these things which is going to happen is going to have a demoralizing effect on the organization itself. Take the HMTs case, take the ITIs case, take the Scooters India's case or take the national textiles cooperation case.

Now, what these companies have failed that is failed to turn to the marketing concept right from the beginning the private players who have come in they have turned in right from the beginning to the marketing concept, example is that of reliance. Take your Jio telecom it is giving such a stiff competition to BSNL, the telecom experts feel that BSNL days in Indian market are numbered. It is really sad. If BSNL itself is getting gobbled up by this type of competition you can imagine what will happen to other public sectors which as still somewhat surviving.

So, this is what can happen to a company when marketing becomes very fierce. If you do not turn towards the marketing concept your very survival will be at stake. So, it is likely that the organization may become extent which was happen to many of the public sector under takings. So, this what the imperative is in the present day circumstances to turn towards marketing, but in a government setup you may find that when you want to turn towards marketing you may phase organized resistance from other departments.

Why does this organized resistance come the other departments especially the production department may start thinking that this marketing department is becoming more and more prominent at the expense of the production department that is the production department produces the marketing department takes the credit, but not really so. If you look at the marketing concept you cannot produce something which is not required by

the market. Most of our public sectors were producing products which were run of the mill that is there was no up gradation in technology, there was no eye to the customer's requirements. So, these products were thought of sometimes in the 50s or the 60s. So, no changes or no drastic changes came about and when they started coming about were also you found that the prices of these new products which these companies introduced was extraordinarily high compared to what was being offered in the gray market places.

So, this is in other words you have organized resistance from other departments and a case like ITI the example of the slim line telephone it is slow learning you are not picking up what is the pricing which is existing in a market place. When you are not picking up what is the pricing which is existing in a market place you find that your end consumer base is getting strong and when your end consumer base is getting strong it is striking at your very survival. This is also what happened if you look at ITI.

Many times most of our public sectors make this mistake of forgetting the target market what is your target market and if you never do that and when there is a target market you should know how to satisfy it. In other words, what is in the present day circumstances what is imperative for the public sector undertakings is to look at customer relationship management through the eyes of a binocular. You never looked at it earlier the way you should have.

Now, it is imperative for you to look at customer relationship management through the eyes of a binocular, now try to satisfy the customer. So, keep in touch with a customer, you have sold a customer consumer durable to him let us say you do not forget him as soon as this durable is sold. You keep in regular contact with him how is find out how is your product doing, is it satisfied, does he want something more, how can it be serviced better all those types of questions which the consumer might have you should try to answer ok.

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### Evolution of Marketing in India

Stage	Period	Environment	Focus of marketing	
			Practices	Institutions
1	Upto '20s	Colonial, early imports	Supply against indents	Supply
2	'20s to '40s	Import is SKD/CKD, local assembly	Book orders with distributors	Sales + Distribution
3	'40s	Early local manufacturing with foreign inputs	Selling redistribution	Sales + Re-Distribution
4	'50s to '70s	Emergence of multiple manufacturing units	Exclusive stockists own sales force promotion	Sales + Promotion + Redistribution
5	'70s to '80s	Emergence of competition de-licensing brands unrelated diversification	Differentiation	Sales + Advertising + Promotion + Redistribution
6	'90s -	Liberalization deregulation lower entry barriers revival of MNCs	Niche marketing brand equity global brands mergers and acquisitions	R&D + Design + Sales + Distribution + Advertising + Multiple Brands + Promotion + MR + MS + Exports
7	2000-	Liberalization, Privatization, Globalization	Niche marketing brand equity global brands mergers and acquisitions, Re-engineering	R&D + Design + Sales + Distribution + Advertising + Multiple Brands + Promotion + MR + MS + Exports + Business (?)

  

### The Meta Marketing Framework

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So, if you look at the way marketing has really gone about you see thus in this particular slide if you look at the up to the 20s the evolution of marketing in India it was a colonial system, we use to import. And, what is the type of practice we use to adopt? We use to supply against indents that is there must be a specific indent that is a customer must makes a specific request then only the supply will take place. So, what are the institutions which are likely to become prominent in this type of an environment? It would be the supply institutions.

Now, look at 20s to 40s what happened in the Indian context? You started importing SKDs and CKDs. What is this SKD? SKD is a semi knocked down assembly CKD is a completely knocked down assembly. So, when your product was in the SKD or the CKD state what were the local units doing, that is the Indian units? The Indian units do use to do local assembly of the products. The result was the type of practice that was being adopted was you booked your orders that is a customer used to book your his orders through the distributors. So, the institutions which became prominent were the sales institutions and the distribution institutions. So, sales plus distribution started becoming prominent.

What happened after the 40s? For the first time we had in India an early local manufacturing with foreign inputs. So, you started having your own manufacturing units, but with foreign inputs. So, the aircraft industries one examples where you first had the

aircraft industry in Walchandnagar, then the Hindusthan Aeronautics in Bangalore with whose inspection the institute of science was also closely associated. So, the result was you had the selling and their redistribution practices becoming prominent. The result was you had a sales institution, you had a redistribution institution becoming prominent sales plus redistribution.

From the 50s to 70s what happened? We had emergence of multiple manufacturing units that is you had a exclusive stockists having their own sales force promotion. That is, we had products from Indian industries and these products where being sold by their own sales force with their own with their promotion mechanisms. So, the result was you had sales plus redistribution in inserted into the middle was the promotion. You had a sales, you had a promotions plus the redistribution. All these three institutions became very prominent.

Between 70s and 80s what happened? We had the emergence of competition, we had that delicensing of brands, we had unrelated diversification that is not related to the core line or not related to the core of the unit. So, you had differentiation. Example of this is HMT itself when it is started it was in the machine tools business then diversified unrelated into watches with inputs from citizen of Japan. So, the result was the practice was differentiation.

So, when you looked at HMTs watch selling in the late 60s and the early 70s it said a leader a giant in the machine tool industry now comes to watches satisfying the needs of the time industry for India. So, if you looked at the tagged line of HMT it used to read Time Keepers to The Nation. So, during this period what we had was we had in addition to promotion advertising also coming in. So, four types of institutions became prominent – we had sales, we had advertising, we had promotion, we had distribution. So, all the four institutions became prominent.

What happened in the 90s? For the first time in the 90s we looked at liberalization may be we were force to look at liberalization because we were looking at a precarious foreign exchange position. So, there was a compiling need to look at liberalization because there was a fear that India might default on its debt payments to the world bodies like the World Bank or the IMF all these made the economy to be liberalized.

So, this liberalization came in with deregulation lower entry barriers, then revival of MNCs multinational companies all these came into being. The result of all these was for the first time in India you started looking at niche marketing brands and you started looking at brands which had a niche marketing target. You looked at look at some of these brands which came in like your Surf looked at a particular niche market segment and this was attacked by other brands like the Nirma which again had another niche market segment.

So, you had niche marketing, you had brand equity. For the first time the Indian company started saying brand equity – what is the brand equity of this product, the Hindusthan Unilever products. Then the global trends, then you had mergers and acquisitions taking place in order to survive companies smaller companies started merging. So, you if you looked at the reliance, the Vimal Group of textile industries, in order to give a competition to the Vimal Group you found that many of these smaller and the medium scale textile mills especially in the Ahmadabad belt merging together and coming out with a brand called garden.

It was just to give a stiff competition to Vimal and also for their own survival. So, with this type of setting the institutions which became prominent was R and D. So, you have to do R and D in order to come out with new products, then design added to that you had all the other institutions like the sales, distribution, advertising, now came in a few more that is the multiple brands, market research, MIS and exports. So, all these institutions started coming in. So, we had to do promotion very actively in order to be in the market place.

Now, what is happening in 2000 and beyond you are not only looking at liberalization and privatization. Indian companies are looking at globalization. In other words Indian companies have made forays into foreign markets also. There are many companies in the software industry which have bought out many companies in the United States as well not to talk of Europe and other places. So, many of them have bought over many of the US companies also. The result is you have a very strong software industry presents in India and in a place like Bangalore which contributes to the highest software export from the country.

So, this niche marketing, brands, brand equity, global brands, mergers and acquisition for the first time Indian company started looking at reengineering. In other words, they started looking at their own production processes in great depth. Whether should we change the production process? If we change the production process what is likely to happen? Are we likely to cut down the production calls? Are we likely to serve the same market segments? Will our market segments change? If it changes in what way it is going to change? In other words for the first time Indian industry started looking at business process reengineering.

So, Indian industry was never looking at these reengineering, now not only they started looking at reengineering they said we will look at business process reengineering whether we should have the same production process or the entire production process should be changed in order to satisfy the customer. So, in other words the customer started becoming the key in the eyes of the industry. So, this is how this whole concept the evolution of marketing concept in India has traverse right from the 20s down to what we are in the present setup.

In the present setup we are looking at niche marketing, we are looking at brand equity, we are looking at global brands, we are looking at M and D that is mergers and acquisitions, we are looking at reengineering companies are looking at business process reengineering and BPR has become an important tool in the changing marketing spear in the Indian context. The result what is the type of institutions which have become more and more pronounced? All the institutions which were earlier there some additions have taken place. What is that addition which has taken place?

The addition that has taken place especially after the 2000 is what we call the e-business. So, for the first time you are looking at business through the web. What we are now seeing is what is called the digital marketing era. The digital marketing era is making people to look at marketing online. Take many of your stores like the Myntra, the BigBasket or the Amazon. So many of these stores they are trying to fulfill the needs of the customer. Straight from his house he can look at all the products on his computer screen try to order online and you get the product your house may be in 1 or 2 days.

Now, some of the flows are also being pointed out saying that what the customer orders thinking that this is what is going to be supplied when this order is being executed by the



company may turn out to be not the same. So, the result is you may have to again send the come product back to the company and then get the product according to your this thing needs. The result is there is a terrific lead time which takes place. Take for example, you ordered a particular shirt from a well known brand and when that shirt came when that you ordered per a particular size and that size is not the one which is which is the best fit for you.

So, what you do? You have to exchange that. You say you have to say this is not the size which is required for me give me an alternative size. The result is it has taken so many days for the first shirt to come; it takes again so many days for the company to pick up the product from your house. Again, it takes so many more days to for the new size to come to you. So, you have a terrific lead time before the end product reaches you, according to your specifications and your comfort zones.

So, this is what is the this is some of the problems which people are facing in digital marketing. Digital marketing is in a sense very good because you transact everything online you do not have to go through all this queues that things this thing and all that. So, but these are also some of the marketing encounters which the customer faces. So, you may not get many times the product in the first instance itself according to your requirements.

So, the result is you may have to go through a stage where lead time a precious lead time you have to be it will be sacrificed, that is, if you wanted the product immediately you may not get it immediately according to your requires, there is a light time in the product. But, anyhow still there is a digital economy in place for some of the simple things this digital economy can work. So, and you do not have to greatly bother about your consumer requirements because these requirements may be very general and it will be most more or less satisfied ok.

So, take for example, your online banking you want to transfer money from one account to the other the digital banking system allows you to transfer this money from your account to another account in the comfort of your home. So, in other words, what is happening? Earlier what we thought was marketing has undergone a sea change. The result is we are looking at what is called the meta marketing framework. The meta marketing framework is what we are looking at right now the if you see the meta

marketing framework you have the marketing insight, you have the focus you have the strategic intent and you have the innovation – three things coming into being.

What is happening here? If you look at marketing insight leads you to innovation. This innovation leads you to a better market focus and a better strategic intent. So, it is a two way arrow it goes forth back and forth. What does this lead you to? It leads you to a better market insight; similarly the market insight can lead you to a better focus and a better strategic intent. But, the arrow from the marketing focus marketing insight to innovation kindly notice a one sided arrow. Your marketing insight should lead you to innovation of the product. So, you should be able to come out with innovative products through your marketing insight.

So, this is what is called the meta marketing framework. This meta marketing framework helps you to look at three aspects one is the market insight, the innovations, the focus and the strategic intent and this is a very important marketing framework in the present day Indian context. We will stop here and we will continue in the next class.

Thank you.