

MARKETING

E-JOURNAL

JAGAN INSTITUTE OF MANAGEMENT STUDIES, JAIPUR

10 jan 2011

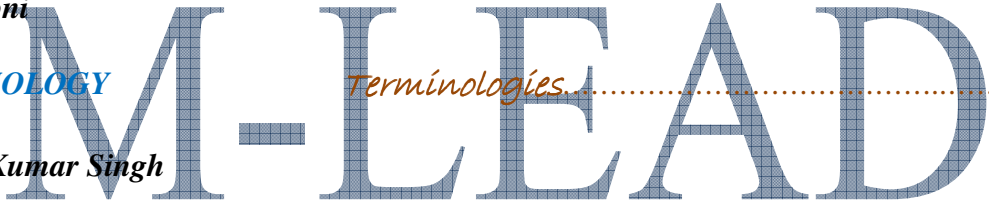


M-LEAD

**One of the great discoveries
a man makes,
One of his great surprises,
is to find he can do what he
was afraid he couldn't do.**

-Henry Ford

EDITOR	CONTENTS	PAGES
<i>Sanjeev Kumar Singh</i>	<i>Retailing.....</i>	<i>3</i>
NEWS		
<i>Sourabh arora</i>	<i>NEWS.....</i>	<i>6</i>
ARTICLES	<i>Articles.....</i>	<i>14</i>
<i>Sanjeev Kumar Singh</i>	1) Power Retailing: Not Just for Large Firms.....	14
<i>Siddhartha bhushan</i>	2) Competing With Big Box Stores.....	15
	3) Reducing Retail Business Expense.....	17
BRANDS	<i>Brands.....</i>	<i>18</i>
<i>Suneel soni</i>		
TERMINOLOGY	<i>Terminologies.....</i>	<i>24</i>
<i>Sanjeev Kumar Singh</i>		
	<i>Benefits of retail.....</i>	<i>26</i>
DESIGN	<i>Disadvantages of retail.....</i>	<i>27</i>
<i>Sanjeev Kumar Singh</i>		
<i>Siddhartha bhushan</i>		
DISPATCH		
<i>Sanjeev Kumar Singh</i>		



RETAILING

Retailing is the set of business activities that adds value to the products and services sold to consumers for their personal and family use. Often people think of retailing only as the sale of products in stores, but retailing also involves the sale of services.

TYPES OF RETAILING

1) The HR challenge for Indian retail

Retail has the power to unleash the human resource potential of the country's population. Going forward, this pool of trained resources would not only be able to redesign the landscape of India's economy but also its societal ills by creating a more equitable society.



It is critical to harness and develop the enormous potential of the staff on the floor

Internationally, retail generates the largest employment opportunities directly and indirectly. Even the latest estimates say that retail accounts for seven to eight per cent of employment. This is in the context of corporate retail having a share of approximately 10 per cent. The remaining 90 per cent of retail is dominated by the neighborhood Karana or grocery shop which, while providing employment to a number of people, does little to harness and develop the enormous human resource potential of this segment.

To say that the retail sector is overlooked would be an understatement. Also, Indian retail is constrained on several fronts, the most important of which is the lack of trained manpower,

which is a reality in spite of all the new stores and expansion. This is a serious problem which will not be solved by merely hiring and putting people through a few days of training.

Typically, every new neighborhood supermarket requires 20 to 30 people, whereas the larger stores need anywhere between 150 and 200 direct employees. Add to this, housekeeping staff, security and back-end labor at the distribution centre and one is looking at a huge number of people.

2) Seeking a larger footprint

By opening a series of stores in the country's airports and in malls, the Pavers England brand of men's and women's footwear is seeking a bigger share of the footwear market..



It's 11 p.m. and the duty-free area at the Chhatrapati Shivaji International Airport in Mumbai is buzzing with travelers pushing through immigration and security checks for midnight or early morning flights. While many of the travelers zoom in on the duty-free stores stocking chocolates and liquor, others are browsing through the numerous other stores retailing anything from luxury watches to the arts and crafts of India.

At the Pavers England footwear store some passengers are trying out pairs of comfy-looking formal shoes. Once the customer has decided on the shoe he wants the airport store will courier the pair to any address in the country, saving one the hassle of lugging another pair of footwear along.

3) Loyalty in an emerging market

The challenge most retailers face is to increase 'share-of-spends' amongst consumers across retail formats in India..



Of utmost import: The modern retail outlets and the Karana shops alike would like to know exactly what brings consumers to their stores.

A recent study released by the BMI India Retail Report for the third quarter of 2010, forecasts that total retail sales will grow from \$353 billion in 2010 to \$543.2 billion by 2014.

The increase in retail sales growth can be attributed to increasing personal wealth, an apparent trend amongst consumers towards increasing personal consumption expenditure and improved retail infrastructure in the country.

The challenge most retailers face, however, is to increase 'share of spends' amongst consumers across retail formats in India. From neighborhood stores to chains of branded stores such as big box discount retailer Big Bazaar, hypermarkets such as Star Bazaar and Hyper city, neighborhood supermarket/hyper stores such as More and Reliance Fresh, they would all be interested in knowing the specific reasons why consumers visit their stores.

Some consumers may cite convenience; some others may feel the store offers a price below the MRP, some perhaps for the ambience, choice and variety, while several others may not know how they are being loyal to a specific store.

4) Stationery, fast evolving

The arrival of organized players in the stationery business has redrawn the contours of the sector that offers plenty of scope for development..



Notebooks galore: The stationery section at a Crossword store in Bangalore.

At books and stationery retail chain Crossword, high-end pens have become hot-selling items. “Customers don't think twice about picking up pens such as Cross, Sheaffer, Tommy Hilfiger, Waterman and Lamy that are priced between Rs 1,500 and Rs 2,000,” says Sivaraman Balakrishnan, Manager (Marketing), Crossword.

Stationery retailing is no longer about stores with dusty shelves filled with notebooks, a few writing instruments, glue and staplers.

The customer profile too has changed: It's not just eager school kids or parents with tight budgets. The well-heeled executive is ready to spend anything up to Rs 2,000 on an exclusive diary or a luxury pen.

The stationery retailing market in India is still largely (98.8 per cent) characterized by mom-and-pop stores, each one serving a catchment radius of no more than two km.

5) Taco Bell to pick up the pace

This Yum! Restaurants brand plans to open more stores and come up with more Mexican-inspired food for its Indian customers..



More tacos, and sooner, says Taco Bell India, which plans to accelerate its expansion.

While the past decade saw Indians getting comfortable with pizza and pasta on restaurant menus, Yum! Restaurants, the fast-food brands restaurant operator with outlets such as Pizza Hut and KFC under its umbrella, launched its Mexican offering, Taco Bell, early last year.

But unlike its other food brands, Yum! is taking measured steps in expanding Taco Bell's footprint in India. The second store was opened in December 2010, seven months after the first one, again in Bangalore. But the Mexican food chain has already indianised its menu, creating products with paneer and almost half its offering targeted at veggies.

“We plan to accelerate our pace of growth in 2011 with more store openings,” Ashok Bajpai, General Manager, Taco Bell India, told Brand Line in an interview. Excerpts:

Taco Bell has been in India for more than six months now but you have gone slow on expansion, opening the second store only recently. What took you so long to take the second step in India.

NEWS

1) Food for thought for multiplexes



A recent qualitative research that was commissioned by Fun Cinemas, with the help of the Indian Market Research Bureau (IMRB) has thrown up several interesting pointers to understand the out of home entertainment space and to gauge consumer interactions with multiplex cinema as an entertainment avenue.

1. The study finds out that for most consumers, while the agenda is the movie, it is an entertainment trip not just restricted to movies. While whether the consumers are movie driven or multiplex driven is a question that remains debatable, the study clearly indicates that multiplexes should focus on value added services to draw the customer, who is seeking to spend good quality leisure time, apart from the movie itself.
2. Noting that the trickiest of all factors that contribute to customer satisfaction is the pricing, the study notes that when rates of admission touched Rs 200, it was noted as expensive. However, the irony is that when the pricing is affordable, the multiplex is seen as having a non premium image. The study notes that it is a tough call for the multiplexes to maintain a balance between affordability and a premium image.
3. For a family of young adults (married), it is quite clearly the child who is the decision maker regarding which movie to watch. Once the decision is taken, families play safe by insisting on advance booking. The study concludes that this is an indicator of the efficient and varied booking facilities that a multiplex needs to offer.

2) Secrets Revealed



M-LEAD

1. An exporter turned brand maker is trying to redefine nightwear as dramatic, seductive and utterly original. Ranjan Kaplish profiles Pretty Secrets.
2. Sleeping in fashion? This exactly is what India needs to do – sleep in fashion, so that the market for fashionable nightwear heats up.
3. Sensing the enormous potential in this category, an exporter turned retail brand opened its boutique in Mumbai to probably become the only intimate wear brand to be present in 18 exclusive outlets in the country in less than a year. Pretty Secrets, which at present sells through eight exclusive outlets, eight shop-in-shops and over 80 leading multiband outlets, had debuted in the market in March 2006.

4. The brainchild of Maruti Trading Company, the brand was born out of the company's understanding that a good retail platform is needed to cater to the demand of quality intimate wear. The understanding, of course, was acquired over a good two decades of manufacturing and exporting nightwear.

3) Hasbro: Ready to Dream



A stitch started with a mere Rs 25,000 in 1990 takes a classy cut today, when it projects a turnover of Rs 1,000 crore by 2015 - after shaping itself into a complete lifestyle brand. Vishnu Rageev R, sr correspondent, unearths strategies and dreams in the making.

Chennai-based Hasbro Clothing, already a hit among youngsters with brands like Genesis, Basics and Probase, is eyeing a turnover of Rs 1,000 crore by 2015. With major expansion plans on the anvil, including retail growth, brand extensions and new product launches, the company is geared to arrive at a turnover of Rs 250 crore by 2010, while the immediate target is to touch Rs 100 crore by this fiscal – from Rs 70 crore during the last financial year. Plans are afoot to

introduce shoes, shades, haversacks and other accessories into the existing portfolio of Basics, while Genesis will add cufflinks, handkerchiefs and leather accessories. "Hasbro has grown multi-fold since its inception in 2000. In the last four years, the company has been growing at the rate of 70 per cent in terms of turnover, which is expected to rise and rise. We have started the homework for making it a Rs 1,000-crore brand by 2015," divulged Alok Sharma, business head, Hasbro Clothing Pvt. Ltd. The company's future plans include acquiring new brands, foraying into new retail territories, and launching into kids and women wear segments.

4) "Will you walk into my parlor?" said the grocer to the housewife



A flashback - 6 months ago

Mrs. Sharma did her grocery shopping at her local 'kirana' store. She walked across (list in her handbag), strained over the crowded counter and read out her list item by item to the shop keeper, taking care not to step on anyone's toes or get her flowing dupatta dirty. Carrying a fully

loaded bag, she then walked back home after some idle chit-chat and mock threats to the kiranaawala - sometimes paying her bill, or else signing her 'khaata'. This was perhaps a weekly ritual. Alternatively, she placed her weekly order on the phone and got her grocery home delivered.

Back to the present

Mrs. Sharma drives around 15 minutes to the Food Bazaar store, which is nearest to her home. She strolls into the air-conditioned ambience, wheels her trolley, browses through the new arrivals, checks out the deals of the week, picks up what looks interesting - apart from what she needs as usual - and then makes her way to the check-out counter. She flashes her 'loyalty card' to earn points, her items are billed using the scanner, she pays up and leaves.

M-LEAD

5) Welcome news for retailers of consumer durables



This should come as welcome news for all those in the retailing of consumer durables, popularly known as white goods. The white goods segment is estimated to achieve production levels of Rs 27,000 crore by end of 2008-09, as against Rs 23,500 crore in the previous year and the segment is expected to show a growth of 15 per cent, points out a recent study by industry chamber ASSOCHAM.

The analysis on "White Goods: Emerging trends" done by ASSOCHAM also reveals that in the white goods segment, products whose demand will multiply include home theatre systems, color TVs, DVD players and microwave ovens.

For the fiscal year ending March 2009, as against March 2008, the study has projected that growth of refrigerators will take place between 18-22 per cent and that of air conditioners in the range of 32-35 per cent. Washing machines segment is likely to grow between 15-20 per cent, microwave ovens by 35 per cent and color televisions in the range of 25-30 per cent.

The study says that black & white televisions will witness a negative growth because the affordability factor of masses will be going in favor of color televisions. Negative growth of B&W TVs will be around less than 22 per cent, says the study.

The color TV production as per estimates by ASSOCHAM was around 15.10 million units in 2006-07 which went up by 25 per cent in 2007-08 and touched around 18 million units. According to the study, flat segment CTVs now accounts for over 60 per cent of the total domestic TV production and is likely to be around 65 per cent in 2008-09.

6) Culture Curry



On a recent flight from Mumbai I was sitting next to the head of HP, who was travelling to India as an observer of the Indian retail scenario. When she asked me what business I was in, I told her that my company was developing specialty malls in India. Her comment, “Aren't you losing your unique Indian culture while mass-producing these huge, western-style malls?” set me thinking. And I thought to myself, is that what we are doing to our culture-rich nation? We are a nation ready to be mauled or shall I say malled, but are we diluting our culture in this retail curry that is cooking?

India Shining loves glitz – that is no secret. Give us soaring buildings with gleaming glass façades, and we think modernity and progress have come to stay. But is the India itch to think global good for the local? According to Robert Adam, one of the leading UK architects, the answer is NO. These malls and buildings are an example of how India is blindly aping the West.

The best of international brands in fashion are hitting our malls; the finest of international pubs, bars and fast food brands – among the most recognized names globally – are the familiar façades covering most of the malls coming up in our country.

In the middle of all this, though, we are Indians at heart. Are we really into adapting our entire lifestyles around an alien culture, or are we choosing to ditch our basics – our culture that is so rich in traditions and hospitality, and so deeply ingrained in our psyche?

The Incredible India campaign seeks to attract tourists toward segments such as spiritual, yoga, medical and ayurvedic tourism. There is a huge number of Indian spa treatments, yoga and ethnicity in various local regions where new malls are being developed. Yet, these regions do not have exposure to the retail development happening in the country. Many of us have ignored local cultures and overlooked the possibility of making these components of a mall that is being positioned as an international shopping destination!

ARTICLES

1) Power Retailing: Not Just for Large Firms

Business Week first popularized the term power retailing in citing the competitive advantages of certain large chains: They "are fast and focused. Merchandise is well-selected and plentiful. Customers go out of their way to shop at power retailers' stores because they know they'll find what they want with a minimum of hassles. Charles Lazarus of Toys "R" Us and Leslie H. Wexner of the Limited, Inc., showed that power retailing works in specialty formats. Sam M. Walton applied it to his Wal-Mart discount stores." Costco, Foot Locker, and Home Depot are also leading practitioners of power retailing.

What these power retailers all have in common is that they use consistent, directed, and comprehensive strategies. They identify customer needs and pay constant attention to the marketplace; place orders early and in quantity, emphasizing power assortments to dominate competitors; and use modern computer and inventory-control systems. Some critics believe the major weakness of power retailing among chain retailers is that management policies are too often standardized and centralized.

There are three key principles that every retailer, regardless of size or line of business, could learn from the concept of power retailing: One, there must always be a "game plan" for the firm that is outlined in advance. Two, the retailer's focus must always be on consumers and how to best satisfy them. Three, to be most effective in the marketplace, a firm needs to be dominant in at least one aspect of its strategy. In the broadest sense, power could result from having the longest store hours, the best delivery policy, and so on. As a result, a small firm could be a power retailer by serving an unfulfilled consumer need.

At the same time, every retailer must also recognize consumers' minimum expectations for each element of its strategy (such as the store hours, product assortment, and customer services). Working women expect stores to have evening hours; this is a minimum requirement. Even if a firm dominates in other areas of its strategy, it must still satisfy the minimum standards set by consumers.

Here are six very different ways for a firm to act as a power retailer. Two or more of the approaches could be combined to yield greater power:

1. Be price oriented and cost efficient to appeal to price-sensitive shoppers.
2. Be upscale to appeal to full-service, status-conscious consumers.
3. Be convenience oriented to appeal to consumers interested in shopping ease, nearby locations, or long store hours.
4. Offer a dominant assortment with an extensive selection in the product lines carried to appeal to consumers interested in variety and in-store shopping comparisons.
5. Be customer service-oriented to appeal to people who are frustrated by the decline in retail service - as they perceive it.
6. Be innovative or exclusive and provide a unique method of operations (such as kiosks at shopping centers) or carry products/brands/services not stocked by other stores to appeal to customers who are innovators, bored, or looking for items not in the me-too mold.

Retailers will probably not be able to succeed in the long-run if they are mid-level in all of the six areas just identified; they must do a superior job in at least one area. The amount of competition will be too intense for them to do otherwise. It should also be kept in mind that a price-oriented strategy may be the easiest for competitors to duplicate, at least in the short-run, and that price-sensitive shoppers often have little store loyalty.

2) Competing With Big Box Stores

Independent retail business owners often worry when a large chain store comes to town. The threat of having to compete with large retailers keeps many would-be entrepreneurs from even opening a shop. Unfortunately, those fears are well-founded. Studies show people purchase a higher percentage of their merchandise from the mass merchandisers and consequently a lower percentage from local merchants.

It may be daunting but despite the emergence of these multi-million dollar businesses, many small retailers continue to thrive (and profit) in a highly competitive marketplace. The key to survival is to offer the products and services that your competition does not. Strategies must be implemented to overcome the lower prices and wider selection that large retailers provide. Here are some tips to better position your retail business for competing with the big box stores.

Don't Panic

Occasionally, we can be our own worst enemy. Talk of a big competitor coming to your community is not a reason to immediately consider relocating or closing your business. First, recognize that you may need to make a positive change in the way you do business. Then, assess whether or not you have the desire to make those changes.

Do the Research

Seek advice from your trade association or consider hiring an industry consultant to conduct a formal study of what customers value most and what they value least about your business. Understand your store's competitive edge. Don't be afraid to shop your competition. One way to be educated about the way your competition does business is by experiencing their customer service first hand. If possible, talk to their customers. Find out what their shoppers like or dislike about the chain store.

Dare to Be Different

Mass merchandisers generally have a little of everything, whereas smaller specialty stores can focus on a narrow but lucrative niche. This can establish your store as the place to go when buying these items. If your market niche is very small, consider keeping a few products and services that appeal to a wider range of customers, but have exceptional product depth.

Focus on what makes your business unique. Emphasize the originality of your inventory as compared to the items offered by the chain store. Customers are intrigued by the unusual and are often attracted to the idea of getting something special from an independently owned business.

Smaller retail businesses also have the luxury of creating a comfortable, cozy atmosphere within their store. This gives your store a personality which is often lacking at the big stores.

The Power of Pricing

Be open to a little haggling where price is concerned. More price negotiating goes on in your "Mom and Pop" stores than in the big box stores. Bargain shoppers know the independent retailer has the power to negotiate a sale and these customers are more inclined to shop where they feel they set their own prices. Remember, it is all about the customer's perception.

Using loss leaders as a marketing tool can also help gain new customers and increase return visits. Implemented correctly, loss leaders have been proven to be a profitable pricing strategy.

Personal Attention

Treat each customer as your best customer. As a small store owner, you can concentrate on small details. Superb customer service is the biggest intangible asset to the independent business. People like to shop where they feel comfortable and where they feel the owner truly cares about their wants and needs. It is the least expensive change to make in order to take on the larger chain stores.

Staffing Your Store

In order to keep your employees from defecting to the competition, you should treat them fairly. Motivate your staff and pay attention to their needs. Help your staff become proficient in their respective departments and make sure they are readily available to meet your customers' needs. If your employees can provide this, your customers will have an extra incentive to continue doing business with you.

These tips for competing with big box stores can help level the playing field. However, don't be misled into thinking exceptional customer service or unique products will win out over lower prices every time. As our customers' shopping choices change, so should our thinking. To succeed, we must lead or keep pace with the change. With or without new retail competition, this kind of planning is something small retailers should be doing anyway.

3) Reducing Retail Business Expense

There may come a time when a retailer is faced with the need to cut expenses. It could be a slump in the economy or the threat of a new competitor. Or it may simply be the desire to control those ever-expanding monthly operating expenditures. Whatever the reason, there are areas in spending in which retailers can reduce without compromising customer service or quality. If your store is experiencing a cash crunch, consider the following ways to cut retail business expenses.

Begin looking at the store's budget to find areas that can be cut out completely or considerably trimmed back. List every expense the business incurs, all the way down to cash register paper, and then determine where the shop can save money. Buying in bulk, buying used and comparison shopping are all options for saving money. Every bit adds up. Keep in mind that many business expenses can be negotiated for better rates or terms. With a little planning and some research, retailers may find better services for less.

Areas to Reduce Expenses

- Credit card processing fees
- Telephone and utility bills
- Internet and web hosting
- Professional fees
- Banking Services
- Postage and shipping fees
- Office supplies and equipment
- Overtime pay
- Health Plans
- Business insurance

Instead of trimming costs here and there, what if your retail business really needs to slash expenses? Before you go hacking necessary sales tools, like advertising and staffing, consider cutting completely any item that is not required to stay in business. Be careful, the idea is to cut any unnecessary expenses, not sacrifice efficiency or professionalism.

Items Your Business May Survive Without

- Cell phones
- Donations
- Magazine subscriptions
- Trade organizations
- Professional dues
- Landscaping
- Janitorial service

BRANDS

1) Penchant for bling

Curtis Pens looks to carve its own niche with its silver, gold and gem-studded creations



Some of the most fancied possessions of the Indian kings of yore were their swords. With chunky diamonds and precious gems adorning golden scabbards, these were eye-catching embellishments fit for an emperor.

Now we say the pen is mightier than the sword. So, what can be a fitting alternative to the modern maharaja? Curtis Australia provides them in the form of its range of luxury pens.

Curtis takes the humble writing instrument to a whole new level of ownership experience. The Australian luxury pens and jewelers company produces handcrafted pens in sterling silver and gold, including special gem-studded limited editions. Ranges available include the Prestige Collection in solid sterling silver, the Classics luxury collection, and special limited editions such as 'The Race to the Pole', 'Colors of Australia' and the exclusive 'Wildlife Warriors Gold and Gem Set Pen', handcrafted in solid gold with 450 diamonds and illustrating several endangered species.

While many Curtis pens start from \$200 (Rs 10,000), the Wildlife Warriors limited edition is priced at \$200,000 (Rs 80 lakh). The writing instruments are available as ceramic roller ball pens, ball point and gel ink pens, or fountain pens with solid gold or iridium-tipped stainless steel nibs.

Curtis Australia launched its range of luxury pens in the Indian market after a special preview and unveiling in Chennai recently. The Curtis brand was launched in conjunction with Odyssey, the nationwide chain of leisure retail stores.

2) Creating and sustaining brands

Companies need to ensure that brands are in tune with the changing marketplace to maintain their grip..



Santro, the car brand, has been around for a decade and it is doing well. Parachute, Hero Honda, Nokia and Britannia are also brands that have strongly entrenched themselves in their respective categories. India Coffee House of yesteryear used to be a strong brand a few decades ago.

There were a number of brands that were strong across categories decades ago before slowly losing their stranglehold on the market. In the present-day context of proliferation of categories and brands, companies need to ensure that brands adapt to the changing environment and are nurtured over a period of time.

The long-term orientation towards branding ensures a brand uses synergies of branding associations (as a result of positioning and advertising), brand extensions, product upgrade in terms of benefits offered by the brand and address the changing trends and preferences of consumers including the changes ushered in by technology.

Nokia, despite offering an India-specific handset at the bottom of the pyramid (with a torch and radio), has a range that reflects its sophisticated offerings in tune with the expectations of consumers in the higher price spectrum in the category.

3) Don't lose your focus

Brand extensions may be a quick way of appealing to a loyal customer base, but beware, such short-term measures can harm the flagship brand.



I left the corporate world many years ago — about 20 years ago. In a way I am glad I did so. I look at decisions made by senior, sensible, experienced managers and often wonder why they do what they do. It often amazes me that time and again they miss the obvious. I then wonder whether I would have also been like this had I continued in the corporate world. Which makes me glad I left it?

There was once a very nice television ad by a leading newspaper that depicted a person not recognizing an opportunity staring him in the face. This seems to be the situation in many companies. In today's world of severe competition and very little differentiation between products and services, it is not very common for brands to hold on to customers or grab customers from other brands. When one gets such an opportunity, one must grab it. But in this world of short-term gains, such opportunities are sadly missed.

Let's consider the example of how a strong and loyal customer base can be eroded when a company loses focus on what its brand stands for. I have been an unabashed fan of Jet Airways. At least till recently. (Disclaimer: I am neither a shareholder nor any form of consultant. I have always been a regular fare-paying customer.) I believe its standards of service delivery and consistency has over the years been outstanding. Jet Airways has always been my first preference for domestic air travels — in fact even for international.

But today when I want to travel domestic, I am confused. And I think Jet is also quite confused. Which is why I am confused. If the company is not clear about its brand and what it stands for, how can it expect its customers to be clear about what it stands for?

4) The opportunity beyond

TTK-LIG seeks to build a market for Durex as a brand for sexual health, in line with its positioning in the rest of the world..



Sometime soon, about 25,000 condoms will be presented to an NGO working to create AIDS awareness. Not an unusual happening that. But the way the contribution was built was unusual – through the very current, very hip social network marketing. TTK LIG chose this route among others to build awareness of its new sub-brand Jeans, launched under the Durex brand a few months ago.

The game went thus: Surfers could log in to Face book and play a game called Bunny Blues on the Love in Jeans page. For every 10 bunnies tagged, the company donated a condom to the NGO. With this exercise the company dovetailed the task of building both its brand and AIDS awareness.

“Durex is a premium brand and it has taken time to come into its own,” says T. R. Venkatesh, Managing Director, TTK-LIG and SSL-TTK Ltd. Kohinoor is the company's mass brand of condoms and the focus of its business for many years. (SSL-TTK also markets the Dr Scholl's and Orthaheel range of foot care products. SSL merged with LIG in 1999 and in India, the two joint ventures are, for all practical purposes, the same; the names are separate due to the shareholding pattern.) At Rs 12 (and Rs 15 and Rs 18 also) for three units, Kohinoor's price was the closest to those distributed at a subsidized price through the NGOs. Over the past two years, Durex has come into its own in the urban areas. Jeans is its product for youth.

5) Game for more

Smaller FMCG companies continue to buy overseas brands but leveraging them may take a while..



This new year began with Marico Ltd, the mid-sized fast moving consumer goods company, announcing a major acquisition. This time it was the hair care brand Code 10 of Malaysia. The trend of smaller FMCG companies such as Wipro, Godrej and Marico steadily building their portfolio of international brands continues, but whether such brands have been adequately leveraged remains an open question. However, it is the 'healthy balance sheet' of such FMCG majors which makes it possible for them to graduate from organic to inorganic growth.

M-LEAD

6) Lapses on the front line

Brands are losing millions as inadequately equipped sales staff squander opportunities to sell..



Particular shortcoming among salespeople in the region, especially India, Singapore and Thailand, are their inability to close a deal.

Usually, brands have very little direct interaction with the customer and often rely heavily on the distribution channel to sell their products. Yet the sales staff, who often influence the decision-making process around a purchase, have little specific interaction with the brand and, therefore, are least equipped to drive growth.

The results of a study undertaken by the Grass Roots Group on how effectively products are sold indicates that IT and consumer electronic brands across the Asia-Pacific are losing millions annually due to the inadequate capabilities of the front line sales people at the reseller stores.

Grass Roots estimate that in India, brands might be losing as much as Rs 84 lakh per annum per store in terms of missed sales opportunities.

Fourteen multinational brands were researched across the region with the help of 1,400 mystery shoppers and the performance of the sales staff was judged on the basis of the respondents' rating on aspects such as complete shopping experience, including a salesperson's response time, product knowledge and attempts to close a sale.

TERMINOLOGY

1) **Acid-Test Ratio**

A measurement of how well a business can meet its short-term financial obligations without selling any inventory.

2) **Add-On Sales**

Add-on sales are the promotion of additional products or services to a customer at the time of purchase.

3) **Anchor Store**

A major retail store used to drive business to smaller retailers. These larger department stores or grocery stores are generally part of a retail chain and are the prominent business in a shopping mall.

4) **Atmosphere**

Atmosphere is the physical characteristics and surrounding influence of a retail store that is used to create an image in order to attract customers.

5) **Average Inventory Cost**

Average inventory cost is found by adding the beginning cost inventory for each month plus the ending cost inventory for the last month in the period. If calculating for a season, divide by 7. If calculating for a year, divide by 13.

6) **Bill of Lading**

A bill of lading is a document used as evidence that a transport company or carrier received goods from a shipper.

7) **Booking Program**

A vendor booking program is the opportunity to view new products or samples now and to place an order for that merchandise to be delivered at a later date.

8) **Brand Awareness**

A gauge of marketing effectiveness measured by the ability of a customer to recognize and/or recall a name, image or other mark associated with a particular brand.

9) **Business Blog**

A business blog is a written set of entries by a business and published online with blogging software. These entries are generally displayed in reverse chronological order and feature industry-related information, photos and/or links. Business blogs may also allow comments for added interaction with the reader.

10) **Category Killer**

A large retail chain store that is dominant in its product category. This type of store generally offers an extensive selection of merchandise at prices so low smaller stores cannot compete.

11) **Chain Store**

One of a number of retail stores under the same ownership and dealing in the same merchandise.

12) **Contribution Margin**

Contribution Margin is the difference between total sales revenue and total variable costs. The term is applied to a product line and is generally expressed as a percentage.

13) **Cost of Goods Sold**

The price paid for the product, plus any additional costs necessary to get the merchandise into inventory and ready for sale, including shipping and handling..

14) **Cross-Sell**

Cross-selling refers to a sales technique in which the salesperson recognizes what a customer is purchasing and will make suggestions or recommendations of other related merchandise the shopper may also be interested in purchasing.

ADVANTAGE OF RETAIL

- **Convenient**

Convenience includes the overall ease of finding a product, time spent on shopping, minimization of overall shopping effort (Schaupp & Belanger, 2005). Online shopping allows consumers to shop at the convenience of their own home, and to save traveling time to retail stores and spend their time on other important tasks and hobbies. Researchers identify convenience as a 'fundamental objective' related to online shopping (Schaupp & Belanger, 2005). This is relevant to 72% of online shoppers' claim that they would rather surf online than go to retail store to attain information about a product (Lokken et al., 2003). According to a study, 72% of online shoppers chose convenience over privacy (Bhatnagar, Misra, & Rao, 2000). In addition to ease of finding products online and shopping time reduction, consumers can shop without time limitation with 24-hr access at their convenience because the World Wide Web never closes. Lokken mentions 24-hr access as a beneficial characteristic of online shopping (Lokken et al., 2003). Also, consumers can exchange information online through chatting and discussion forums to help them make wise consumer decisions.

- **No need for vendors and no pressure to buy**

Online shopping benefits both the society as a whole and individuals. The society can save human resources when consumers help themselves by browsing freely online instead of asking for assistance from vendors. In addition, consumers are freed from the pressure to buy from the vendors and can spend more time to make wise purchase decisions. But it is important that Web sites have good product descriptions because it is one of the significant condition that satisfy consumers (Limayem, M., Khalifa, M., & Frini, A., 2000).

- **"Infinite shelf space" available**

Consumers desire a variety of products because they look for the right product that will fully satisfy them. There is infinite variety of products available online because online shopping allows consumers to browse through products that are made all around the world without geographical boundaries.

- **Able to compare product price and features**

With the online tools that enable product comparison, consumers can compare product

prices and features to make a better decision with less effort. More details are included in solutions section.

DISADVANTAGES OF RETAIL

- **Enjoyment of retail shopping lost**

Many enjoy shopping with others and it is often a good way to make social connections. When shopping independently online, the enjoyment is lost.

- **Privacy and security issues**

Privacy is the number one reason that non-online shoppers do not shop online. Almost 95% of Web users have declined to provide personal information to Web sites at one time or another when asked (Hoffman, Novak, & Peralta, 1999). Another recent study has found that privacy was the top concern of customers while security ranked bottom (Schaupp & Belanger, 2005). This proves that many do not trust the privacy of the Internet and are concerned with their credit card frauds, unwanted solicitation, and use of their information for other purposes. Security of Web sites is not the top concern because many shop on Web sites that they trust so that other factors appear to be more important than security.

- **Access to the Internet and computer necessary**

Because one needs money to buy a computer and to have internet connection, online shopping seems to be limited people of reasonable amount of income. Also, since it is harder to learn computer at an older age, the elderly people tend shop at traditional retail stores.

- **Product category risk**

Product category risk is related to functional products such as apparel, perfume, and electronics that have functions that cannot fully be experienced online. Online shopper is worried that the products will not be what they have expected by viewing online. This is a clear disadvantage of online shopping because it shows that "[t]he likelihood of purchasing on the Internet decreases with increases in product risk" (Bhatnagar, Misra, & Rao, 2000, p. 100). Apparels in particular had negative rating in online shopping because of it is difficult to feel and see the texture of color online that is incomparable to going to a retail store, even with magnifying tools online. Also, one cannot try on clothing before buying it online, so it would be very inconvenient if the size did not fit the person and he/she had to return it.

- **Too many choices**

Although having access to a very large number of products is highly desirable, consumers have limited cognitive resources and may simply be unable to process the potentially vast amounts of information about these alternatives (Haubl & Trifts, 2000). Online stores need to provide the variety in an organized way that will facilitate shopping online.

M-LEAD